

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re:

Stream TV Networks, Inc., *et al.*¹

The Debtors.

Chapter 11

Bankr. Case No. 23-10763 (AMC)
(Jointly Administered)

**DESIGNATION OF RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL**

Appellant, Visual Semiconductor ("VSI"), by and through his undersigned counsel, designates the following items to be included in the record on appeal, pursuant to the *Joint Notice of Appeal and Statement of Election* dated December 9, 2024 [ECF No. 873], from the *Order (A) Approving the Sale of Substantially All of The Debtors' Assets Free And Clear Of All Liens, Claims, Encumbrances and Interests, (B) Authorizing the Trustee To Enter Into and Perform Debtors' Obligations Under the Asset Purchase Agreement, (C) Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (D) Granting Related Relief* [ECF No. 876] and sets forth his statement of issues to be presented on appeal:

I. Record on Appeal²

	ECF DKT. NO.	DOCKET DATE	DESCRIPTION
1.	750	09/30/24	(Expedited) Motion of William A. Homony in His Capacity As Chapter 11 Trustee For (I) an Order (A) Approving the Bidding Procedures and Form of Asset Purchase Agreement for the Sale of Substantially All of the Debtors' Assets, (B) Establishing the Notice Procedures and Approving the Form and Manner of Notice Thereof and Scheduling a Sale By Auction, (C) Approving Procedures

¹ The Debtors, together with the last four digits of the Debtors' federal tax identification numbers, are Stream TV Networks, Inc. (4092) and Technovative Media, Inc. (5015). The location of the Debtors' service address is: 2009 Chestnut Street, 3rd Floor, Philadelphia, PA 19103.

² All items designated herein include all exhibits, filed with, attached to, or otherwise referenced in such pleadings.

			for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (D) Scheduling a Sale Hearing, (E) Granting Expedited Consideration Pursuant to Local Rule of Bankruptcy Procedure 5070-1(G), and (F) Granting Related Relief, and (II) an Order (A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto, and (C) Granting Related Relief
2.	752	10/01/24	Visual Semiconductor, Inc. Objection to the Expedited Consideration Of Motion of William A. Homony In His Capacity As Chapter 11 Trustee For (I) An Order (A) Approving Bidding Procedures and Form of Asset Purchase Agreement for the Sale of Substantially all of the Debtor's Assets Including Approval of the Provisions for Designation of a Stalking Horse, (B) Establishing the Notice Procedures and Approving the Form and Manner Of Notice Thereof and Scheduling and Auction, (C) Approving Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (D) Scheduling a Sale Hearing, (E) Granting Expedited Consideration Pursuant to Local Rule of Bankruptcy Procedure 5070-1(G); and (F) Granting Related Relief, and (II) an Order Approving (A) the Sale of the Debtor's Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto and (C) Granting Related Relief
3.	754	10/02/24	Order on Motion for Approval of Bid Procedure
4.	788	11/06/24	Visual Semiconductor, Inc. Objection to Motion Of William A. Homony In His Capacity as Chapter 11 Trustee for (I) an Order (A) Approving Bidding Procedures and Form of Asset Purchase Agreement for the Sale of Substantially All of The Debtor's Assets Including Approval of the Provisions for Designation of a Stalking Horse, (B) Establishing the Notice Procedures and Approving the Form and Manner of Notice Thereof and Scheduling and Auction, (C) Approving Procedures for The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (D) Scheduling a Sale Hearing, (E) Granting Expedited Consideration Pursuant to Local Rule of Bankruptcy Procedure 5070-1(G); and (F) Granting Related Relief, and (II) an Order Approving (A) the Sale of the Debtor's Assets Free and Clear of all Liens,

			Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto and (C) Granting Related Relief
5.	789	11/06/24	Rembrandt 3d Holding Ltd.'s Objection to Motion of William A. Homony In His Capacity As Chapter 11 Trustee for (I) an Order (A) Approving Bidding Procedures and Form of Asset Purchase Agreement for the Sale of Substantially All of the Debtor's Assets Including Approval of the Provisions for Designation of a Stalking Horse, (B) Establishing the Notice Procedures and Approving the Form and Manner of Notice Thereof and Scheduling and Auction, (C) Approving Procedures for The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (D) Scheduling a Sale Hearing, (E) Granting Expedited Consideration Pursuant to Local Rule of Bankruptcy Procedure 5070-1(G); and (F) Granting Related Relief, and (II) an Order Approving (A) the Sale of the Debtor's Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto and (C) Granting Related Relief
6.	795	11/11/24	Praecipe to Substitute Exhibit "B" To Motion of William A. Homony In His Capacity as Chapter 11 Trustee for (I) an Order (A) Approving the Bidding Procedures and Form of Asset Purchase Agreement for the Sale of Substantially All of the Debtors' Assets, (B) Establishing the Notice Procedures and Approving the Form and Manner of Notice Thereof and Scheduling A Sale By Auction, (C) Approving Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (D) Scheduling a Sale Hearing, (E) Granting Expedited Consideration Pursuant to Local Rule of Bankruptcy Procedure 5070-1(G), and (F) Granting Related Relief, and (II) an Order (A) Approving the Sale of The Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment Of Certain Executory Contracts and Unexpired Leases Related Thereto, and (C) Granting Related Relief
7.	801	11/12/24	Hawk Investment Holdings Ltd.'s (I) Reply in Support of Motion of William A. Homony In His Capacity as Chapter 11 Trustee for (I) An Order (A) Approving Bidding Procedures and Form Of Asset Purchase Agreement for the Sale Of Substantially All of the Debtor's Assets Including

			Approval of the Provisions for Designation of a Stalking Horse, (B) Establishing the Notice Procedures and Approving the Form and Manner of Notice Thereof and Scheduling and Auction, (C) Approving Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (D) Scheduling a Sale Hearing, (E) Granting Expedited Consideration Pursuant to Local Rule of Bankruptcy Procedure 5070-1(G); And (F) Granting Related Relief, and (II) an Order Approving (A) the Sale Of The Debtor's Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto and (C) Granting Related Relief
8.	803	11/13/24	Praecipe to Substitute Exhibit "A" to Motion of William A. Homony In His Capacity as Chapter 11 Trustee For (I) an Order (A) Approving Bidding Procedures and Form of Asset Purchase Agreement for the Sale of Substantially All of the Debtor's Assets Including Approval of the Provisions for Designation of a Stalking Horse, (B) Establishing the Notice Procedures and Approving the Form and Manner of Notice Thereof and Scheduling and Auction, (C) Approving Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (D) Scheduling a Sale Hearing, (E) Granting Expedited Consideration Pursuant to Local Rule of Bankruptcy Procedure 5070-1(G); and (F) Granting Related Relief, and (II) an Order Approving (A) the Sale of The Debtor's Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto and (C) Granting Related Relief
9.	807	Transcript attached as Exh. A	Transcript of Hearing re: Hearing held on November 13, 2024
10.	810	11/19/24	Support Document Asset List of Stream and Technovative re 363 Sale
11.	811	11/20/24	Order (A) Approving Bidding Procedures and Form of Asset Purchase Agreement in Connection with the Sale of Substantially all of the Debtors' Assets, (B) Approving Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (C) Approving

			Procedures for Selection of Stalking Horse Bidder and Bid Protections, and (D) Granting Related Relief
12.	815	11/22/24	Visual Semiconductor, Inc's Objection to Motion of William A. Homony in His Capacity as Chapter 11 Trustee for an Order Approving (A) the Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto and (C) Granting Relating Relief
13.	814	11/21/24	Notice of Assumption or Assignment of Executory Contracts and Unexpired Leases
14.	816	11/22/24	Rembrandt 3D Holding Ltd's Objection to the Sale of Substantially All of the Debtors' Assets
15.	819	11/27/24	Stream TV Networks Inc's Chapter 11 Monthly Operating Report for Case No. 23-10763 for the Month Ending: 10/31/2024
16.	820	11/27/24	Technovative Media, Inc.'s Chapter 11 Monthly Operating Report for Case Number 23-10764 for the Month Ending: 10/31/2024
17.	822	11/27/24	Stream TV Networks Inc's Chapter 11 Monthly Operating Report for Case Number 23-10763 for the Month Ending: 10/31/2024
18.	823	11/27/24	Technovative Media Inc's Chapter 11 Monthly Operating Report for Case Number 23-10764 for the Month Ending 10/31/2024
19.	824	11/27/24	Rembrandt 3D Holdings Ltd's Motion Seeking (I) Enforcement of the Temporary Restraining Order, (II) Sanctions Against Parties Who Violated the Temporary Restraining Order, and (III) Injunctive Relief
20.	826	11/27/24	Visual Semiconductor Inc's Motion to Reconsider November 14, 2024 Order Quashing the Remaining VSI Discovery (ECF No. 805) and Grant Appropriate Relief
21.	827	11/27/24	Visual Semiconductor Inc's Motion for Expedited Consideration, Shortened Time, and Limited Notice of Motion to Reconsider and/or Clarify November 14, 2024 Order Quashing the Remaining VSI Discovery (ECF No. 805)
22.	835	11/29/24	Omnibus Response of William A. Homony, in His Capacity as Chapter 11 Trustee, to the Objections to the Trustee's Motion for, <i>Inter Alia</i> , an Order (A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens,

			Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto, and (C) Granting Related Relief
23.	836	11/29/24	Hawk Investment Holdings Ltd's (I) Joinder to the Omnibus Response of William A Homony, in His Capacity as Chapter 11 Trustee, to the Objections to the Trustee's Motion for, <i>Inter Alia</i> , an Order (A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto, and (C) Granting Related Relief
24.	837	11/30/24	SeeCubi Inc's Joinder to Responses in Support of the Trustee's Motion for, <i>Inter Alia</i> , an Order (A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto, and (C) Granting Related Relief
25.	839	12/02/24	Rembrandt 3D Holding Ltd Third-Party Complaint and Injunctive Relief Against Stream TV Networks Iinc and Technovative Media Inc
26.	843	12/02/24	Order Denying (ECF No. 827) Motion for an Expedited Hearing on (ECF No. 826) Motion to Reconsider Order Dated November 14, 2024
27.	844	12/02/241	Order Denying (ECF No. 825) Motion for Expedited Hearing on (ECF No. 824) Motion for Sanctions Against Parties Who Violated the Temporary Restraining Order, Enforcement of the Temporary Restraining Order, and for Injunctive Relief
28.	847	12/03/24	Disclosure Statement for Stream TV Networks Inc's Chapter 11 Plan or Reorganization
29.	848	12/03/24	Chapter 11 Plan of Reorganization by Stream TV Networks Inc and Technovative Media Inc
30.	850	12/03/24	Declaration of William A. Homony in His Capacity as Chapter 11 Trustee, in Support of the Motion for an Order (A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto, and (C) Granting Related Relief

31.	852	12/03/24	Declaration of J. Scott Victor in Support of Chapter 11 Trustee's Motion for Entry of an Order (I) Authorizing and Approving, But Not Directing, the Sale of the Assets, in Each Case with such Sale Being and Clear of Any and All Liens, Claims, Encumbrances and Interests, (II) The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with the Sale, and (III) Granting Related Relief
32.	853	12/04/24	Praecipe to Amend and Substitute Exhibit "C" to Sale Motion
33.	859	12/04/24	Declaration of Mark Hsu in Support of Visual Semiconductor Inc's Objection to Trustee's Sale Motion
34.	871	12/08/24	Rembrandt 3D Holding Ltd.'s Response to Praecipe to Substitute Exhibit "C" to Motion of William A. Homony in His Capacity as Chapter 11 Trustee for an Order (A) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Interests, (B) Authorizing the Trustee to Enter Into and Perform Debtors' Obligations Under the Asset Purchase Agreement, (C) Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (D) Granting Related Relief
35.	872	12/09/24	Visual Semiconductor Inc's Objection and Joinder to Rembrandt 3D Holding Ltd's Response to Praecipe to Substitute Exhibit "C" to Motion of William A Homony in His Capacity as Chapter 11 Trustee for an Order (A) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Interests, (B) Authorizing the Trustee to Enter Into and Perform Debtors' Obligations Under the Asset Purchase Agreement, (C) Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (D) Granting Related Relief
36.	874	12/09/24	Interested Party Leia Inc's Objection to the Proposed From of Order Approving Trustee's Sale Motion
37.	876	12/09/24	Order (A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto, and (C) Granting Related Relief
38.	877	12/10/24	Amended Joint Notice of Appeal and Statement of Election re Sale Order [ECF No. 876] filed by Rembrandt 3D Holding Ltd and Visual Semiconductor Inc

39.	878	Transcript attached as Exh. B	Transcript of Hearing re: Hearing held on December 4, 2024
40.	886	12/16/24	Chapter 11 Monthly Operating Report of Stream TV Networks Inc for Month Ending: 11/30/2024
41.	887	12/16/24	Chapter 11 Monthly Operating Report of Technovative Media Inc for Case Number 23-10764 for the Month Ending: 11/30/2024
42.	893	Transcript attached as Exh. C	Transcript of Hearing re: Hearing held on December 18, 2024

II. Statement of Issues on Appeal

1. Whether the Bankruptcy Court erred in approving the sale of substantially all of the Debtors' assets without first determining, in an adversary proceeding, whether the assets made available for sale by the Trustee constitute property of the estate.
2. Whether the Bankruptcy Court erred in approving the sale of substantially all of the Debtors' assets, without sufficient evidence, and finding the sale process and the Bidding Procedures were fair, reasonable, and appropriate under the circumstances and designed to maximize the value of the Assets, without sufficient evidence or a complete evidentiary hearing.
3. Whether the Bankruptcy Court erred in finding that the disclosures made by the Trustee concerning the Auction, the Asset Purchase Agreement, the Sale, and the Sale Hearing were good, complete, and adequate.
4. Whether the Bankruptcy Court erred in finding that a reasonable opportunity to object or be heard regarding the relief requested in the Motion and the Sale Hearing was afforded to all interested persons and entities.
5. Whether the Bankruptcy Court erred in finding that the Trustee conducted a sale process in accordance with, and has, along with the Buyer, complied in all respect with, the Bidding Procedures Order and afforded a full, fair, and reasonable opportunity for any interested party to make a higher or otherwise better offer to purchase the Assets and assume any Assumed Liabilities.
6. Whether the Bankruptcy Court erred in finding that the Trustee and his advisors engaged in a robust and extensive marketing and sale process in accordance with the Bidding Procedures Order and the sound exercise of the Trustee's business judgment.

7. Whether the Bankruptcy Court erred in finding that the Trustee and the Buyer have negotiated and undertaken their roles leading to the entry into the Asset Purchase Agreement in a diligent, non-exclusive, fair, reasonable, and good faith manner at arms' length.

8. Whether the Bankruptcy Court erred in finding that the Trustee conducted a fair and open sale process and the sale process and the Bidding Procedures were non-collusive, duly noticed, and provided a full, fair reasonable, and adequate opportunity for any entity that either expressed an interest in acquiring the Assets, to make an offer to purchase the Debtors' Assets.

9. Whether the Bankruptcy Court erred in finding that the sale process conducted by the Trustee resulted in the highest or otherwise best value for the Asset for the Trustee and the Debtors' estates, their creditors, and all other parties in interest, and any other transaction would not have yielded as favorable a result.

10. Whether the Bankruptcy Court erred in finding that the Trustee has good, sufficient, and sound business reasons for entering into the Sale and performance of its obligations under the Asset Purchase Agreement.

11. Whether the Bankruptcy Court erred in finding that the consideration to be paid by the Buyer under the Asset Purchase Agreement were negotiated, proposed, and entered into at arm's length, in good faith and without collusion, pursuant to 363(m) of the Bankruptcy Code and constitutes reasonably equivalent value and fair and equitable consideration for the Assets.

12. Whether the Bankruptcy Court erred in finding that the Buyer is a "good faith purchaser" within the meaning of 363(m) within the meaning of the Bankruptcy Code, and, as such, is entitled to all the protections afforded thereby.

13. Whether the Bankruptcy Court erred in finding that the sale of the Assets to the Buyer (or its designee) under the terms of the Asset Purchase Agreement meets the provisions of

363(f) such that the Assets will be free and clear of liens, claims, encumbrances, and interests, and will not be subject to any Buyer Party to any liability for any pre-Closing of liens, claims, encumbrances, and interests whatsoever (including, without limitation, under any theory of equitable law, or successor or transferee liability), except as expressly provided in the Asset Purchase Agreement with respect to Assumed Liabilities.

Dated: New York, New York
December 23, 2024

AKERMAN LLP

By: /s/R. Adam Swick

Donald N. David (SBN # 304846)
1251 Avenue of the Americas, 37th Floor
New York, NY 10020
Telephone: (212) 880-3856
Facsimile: (212) 880-8965
Email: donald.david@akerman.com

-and-

R. Adam Swick (admitted *pro hac vice*)
500 W. 5th Street, Suite 1210
Austin, TX 78701
Telephone: (737) 999-7100
Facsimile: (512) 623-6701
Email: adam.swick@akerman.com

-and-

John H. Thompson (admitted *pro hac vice*)
750 Ninth Street, N.W., Suite 750
Washington, D.C. 20001
Telephone: (202) 393-6222
Facsimile: (202) 393-5959
Email: john.thompson@akerman.com

*Attorneys for Appellant Visual
Semiconductor Inc.*

EXHIBIT A

UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF PENNSYLVANIA

IN RE: : Case No. 23-10763
STREAM TV NETWORKS, INC. CH: 11 :
AND TECHNOVATIVE MEDIA, :
INC. : Philadelphia, Pennsylvania
: November 13, 2024
: 11:00 a.m.
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BEFORE THE HONORABLE ASHELY M. CHAN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For SeeCubic, Inc.: Marley Brumme, Esq.
Skadden Arps Slate Meagher &
Flom, LLP
500 Boylston Street, 23rd Floor
Boston, MA 02116
617-573-4800

For Rembrandt: Andrew Peter Demarco
Devlin Law Firm, LLC
1526 Gilpin Avenue
Wilmington, DE 19806
302-449-9010

Christopher Michaels

For SSG Capital Advisors: Samuel Charlton

For VSI: John H. Thompson
Akerman
750 Ninth Street, N.W.
Suite 750
Washington, D.C. 20001
202-393-6222

For Hawk Investment Holdings Steven Caponi, Esq.
Ltd.: Margaret Westbrook, Esq.
K&L Gates
600 N. King Street, Suite 901
Wilmington, DE 19801
302-416-7080

Jonathan N. Edel, Esq.
300 South Tryon St., Suite 1000
Charlotte, NC 28202

For the Trustee:

Michael D. Vagnoni, Esq.
Obermayer Rebmann Maxwell &
Hippel LLP
Centre Square West
1500 Market Street, Suite 3400
Philadelphia, PA 19102
215-665-3066

Steven M. Coren, Esq.
Kaufman Coren & Ress, P.C.
Two Commerce Square
Suite 3900
2001 Market Street
Philadelphia, PA 19103-2713

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1 NOVEMBER 13, 2024

11:00 A.M.

2 THE COURT: Okay. Is there anyone else on the phone
3 who is here for a case other than Stream TV? Okay. Thank you.

4 Party who just joined the call, the last four digits
5 6443. Could you identify -- I'm sorry, 6643, could you
6 identify yourself, please?

7 MR. CHARLTON: Yes. Samuel Charlton with SSG Capital
8 Advisers.

9 THE CLERK: Yes, with the last four digits 4063. Can
10 I have your last name, please?

11 All rise.

12 THE COURT: Morning. Please be seated. Court is now
13 in session. All right. This is the call on the 11:00 list.
14 The only matter remaining on the list is number 23, Stream TV
15 Networks and we have several parties on the phone and in the
16 courtroom.

17 Do you want to start with the people in the
18 courtroom, first?

19 UNIDENTIFIED SPEAKER: Uh-huh. Yeah, let's start
20 with the people in the courtroom.

21 THE COURT: Okay. We're going to start with the
22 people in the courtroom and get everyone's appearances.

23 Appearances, please, on Stream TV.

24 UNIDENTIFIED SPEAKER: Come sit at the table.
25 Welcome.

1 MR. THOMPSON: Morning, Your Honor. John Thompson of
2 Akerman on behalf of VSI and with me today is my colleague Adam
3 Swick and retired Judge Nick Clark from the Western District of
4 Texas.

5 THE COURT: Welcome.

6 MR. CLARK: Morning, Your Honor.

7 THE COURT: It's good to see you.

8 MR. CLARK: Thank you.

9 MR. DEMARCO: Good morning, Your Honor. This is
10 Andrew DeMarco from Devlin Law Firm here representing
11 Rembrandt. Also here with me is Christopher Michaels from
12 Brown and Michaels who will be handling any argument today.

13 THE COURT: Welcome.

14 MR. CAPONI: Good morning, Your Honor. Steven Caponi
15 from K&L Gates on behalf of Hawk.

16 THE COURT: Okay.

17 MS. BRUMME: Good morning, Your Honor. Marley Ann
18 Brumme of Skadden Arps on behalf of SeeCubic.

19 THE COURT: Okay. Great. I thought you guys were
20 going on the phone. You're going to be outnumbered.

21 MR. CAPONI: Yeah.

22 THE COURT: No, you're here. Okay. All right.

23 We're just entering appearance, so come on up and say hello.

24 MR. VAGNONI: Good morning, Your Honor. Michael
25 Vagnoni on behalf of Bill Homony, Chapter 11 Trustee. I have

1 with me Ed George and Steve Coran from Coran and Ress.

2 THE COURT: Okay.

3 MR. CORAN: Morning.

4 THE COURT: Good morning. All right. How about the
5 people on the phone? Did you want to note your appearance if
6 there's anywhere there?

7 Do we have anyone?

8 UNIDENTIFIED SPEAKER: Yeah. Yeah.

9 THE COURT: We do? The parties on the line, if every
10 -- if you could each speak one at a time and tell us who you're
11 here for on Stream TV and enter your appearances, please.

12 MR. EDEL: This is Jonathan Edel from K&L Gates on
13 behalf of Hawk Investment Holdings.

14 THE COURT: Okay. Anyone else or you think that's
15 it?

16 UNIDENTIFIED SPEAKER: They might just be observing.

17 THE COURT: Okay. Fine.

18 All right. Well, welcome back, everybody. I know
19 we're here on the reconsideration, which I will -- I guess I
20 just wanted to address the discovery issue. So the last time
21 we were talking on the phone, you guys had raised an issue
22 about the assets that were being sold and you had concerns
23 about whether there were licenses and I think Mr. Vagnoni, I
24 was giving you a week to try to clarify for them what assets
25 were going to be sold.

1 So have you had any productive conversations
2 hopefully with them?

3 MR. VAGNONI: Your Honor, we took your direction from
4 the last hearing, and we provided both VSI, accounts for VSI
5 and accounts with Rembrandt. A fairly exhausted list of what
6 the assets are. Not just the assets that we are -- that the
7 Trustee is selling, but the assets that are embedded in the
8 downstream subsidiaries whose equity we are selling as well.

9 That, I think, would have satisfied the Court's
10 concern in that regard. I have a copy of what we sent. I
11 didn't bring multiple copies. It's very thick. But we did
12 provide that. We did also receive an email on Friday of last
13 week asking for a meet and confer to discuss what discovery
14 would be taking place.

15 We did not engage in that meet and confer. We didn't
16 take your comments last week as we thought everything was
17 quashed to that point based on your ruling. So we did not meet
18 and confer. We were preparing for the hearing. But we -- and
19 we did not engage in any discovery again, because we thought
20 the discovery request had been quashed by Your Honor.

21 But again, we did provide them with a listing --

22 THE COURT: Okay. Well, let me --

23 MR. VAGNONI: -- on the --

24 THE COURT: -- see if they feel like they have a
25 better understanding.

1 So do you gentlemen have a better understanding of
2 exactly what's being sold?

3 MR. MICHAELS: We have no better understanding. Most
4 simply, are they accepting -- assuming, rejecting saying that
5 the Rembrandt contract is invalid, valid? What is their
6 position? Where is our IP? Have they removed it?

7 They're disclosure, this voluminous thing they
8 described has a single sentence that says, "software," right?
9 There's no discussion of -- we have asked over and over again,
10 are you in control of the software professional development
11 system? I.E., do you have the username and password? No
12 response.

13 THE COURT: Uh-huh.

14 MR. MICHAELS: We have no idea what they have. More
15 so, we're the ones that have provided a far more extensive list
16 of what assets we believe could be in that estate and we've
17 told them what documents we're relying upon and asked them,
18 what is the status of each of these individuals assets? No
19 response.

20 THE COURT: Okay. So --

21 MR. MICHAELS: We are no more clear than we have --

22 THE COURT: -- I've been with you guys up until this
23 point. But now, you know, they've got some serious concerns.
24 You know, their belief is that the sale of the asset is going
25 to violate all of these rights. It's going to spawn all of

1 this litigation about the licenses, right? That's their
2 concern.

3 And I'm willing to consider a sale of this, but at
4 the very basic level, we need to understand exactly what is
5 being sold, right? And it sounds like today they don't know.

6 So he just said that you said it's software. Do you
7 have something more specific than just the word software in
8 terms of this being sold?

9 MR. VAGNONI: There was -- Your Honor, first of all,
10 let me just address a couple of things that Mr. Michaels said.
11 I think he indicated once again to the Court that he hasn't
12 been made aware of whether or not the sale will include an
13 assumption and assignment of the Rembrandt license.

14 Paragraph 27 of our motion clearly indicates that
15 that license is not part of the sale transaction. It is not
16 going to be acquired by the stock and horse purchaser.
17 However, if there is a competitive bid, a bid that is a
18 superior bid to the stock and horse bid that wants the
19 Rembrandt license, absolutely we would entertain an assumption.
20 There would have to be discussion about what --

21 THE COURT: Okay. So let's -- what we're going to do
22 today, just so I have an idea, we're just going to take this
23 issue by issue. So you're saying that the license is not part
24 of the sale --

25 MR. VAGNONI: That's correct.

1 THE COURT: -- but you would contemplate bids on it.
2 I'm not sure how you'd write that into the bid procedure, but
3 we can talk about that in a minute.

4 So what's your response to that?

5 MR. MICHAELS: It's not an assignable license. It's
6 not their option to decide to sell it or not. That's -- and
7 neither is the Phillips license. It is -- we have -- we did
8 not need Mr. Vagnoni to explain to us whether or not our
9 license was assignable. It is absolutely note and all the case
10 law is --

11 THE COURT: Okay. Well --

12 MR. MICHAELS: -- if I don't mind?

13 THE COURT: Yeah.

14 MR. MICHAELS: Our issue isn't that the contract is
15 -- that they're attempting to assign it. They are clear
16 they're not attempting to assign the contract. It's the
17 intellectual property that is the basis of that. I mean,
18 saying I'm not handing you a piece of the car, the car title
19 is, you know, that -- but I'm going to hand them the keys to
20 the Lamborghini. I mean, we're concerned about the keys and
21 the Lamborghini, not the piece of paper that says we own it.
22 We already have that. I don't need them to tell me we have
23 that.

24 THE COURT: Yeah. Yeah, yeah.

25 MR. THOMPSON: Your Honor, if I might add?

1 THE COURT: Yeah.

2 MR. THOMPSON: There's a real problem with the bid
3 procedures in addition to those that Mr. Michaels rose --
4 raised. In this circumstance, Mr. Vagnoni has just told the
5 Court as his email to us told us that they are, I guess,
6 excluding the asset that is the Rembrandt license. The reasons
7 you just heard. It doesn't matter whether they wanted to
8 assume it and assign it, they could not.

9 But in this circumstance, right, they're suggesting
10 that some other party out there might come in and bid for it.
11 Well, how do we have a bid process where --

12 THE COURT: Yeah, yeah. Okay.

13 MR. THOMPSON: -- some other parties actually
14 consider --

15 THE COURT: Well, tell me this. If he -- if we have
16 -- let's say we have the bid, we had the auction, right, and
17 Hawk's the only one that shows up and under their purchase
18 agreement, they're not going to get it. Then does that take
19 care of your issue entirely because --

20 MR. MICHAELS: Not in any way, Your Honor. I mean,
21 we have listed out a huge number of trade secrets. We have a
22 bunch of patents. The very assets that they have listed where
23 they've talked about TV's, prototypes, demos, those are all --
24 were all alleged back in 2017 to have been covered by
25 Rembrandt --

1 THE COURT: All right. So let me just, like -- I'm
2 sorry. Let me just be more specific. So I want to take it
3 issue by issue.

4 MR. MICHAELS: Uh-huh.

5 THE COURT: So at least I understand. So he had
6 thrown out this comment that he's not attending to sell certain
7 licenses unless someone else bids for it. So with regard to
8 those licenses, if there's no other bidder and the stocking
9 horse gets it, Hawk gets it, then with regard to that license,
10 then I think we're all in agreement that the license isn't
11 being sold at all, right?

12 So I think you wouldn't have an issue if there's no
13 stocking horse -- if it's just a stocking horse bidder and
14 there's no other bidders with regard to the license.

15 MR. MICHAELS: With respect, we would. The issue
16 with the license -- it's not a question of will they assume or
17 reject it in the future. It's SSG offering for sale
18 Rembrandt's patented technology. That's a violation of Section
19 271. That's present today patent infringement -- you -- they
20 do not have a license to the Rembrandt technology.

21 THE COURT: Hold on a second. Who is that person?

22 All right. So I would ask everyone on the phone line
23 to try to mute your phone because we're -- someone's not muted,
24 so we're hearing everything in the courtroom that's going on
25 there. So could everyone just take a moment? How do they mute

1 their line?

2 UNIDENTIFIED SPEAKER: Star six.

3 THE COURT: So if you could just hit star six,
4 everyone on the line, I'd appreciate that.

5 MR. VAGNONI: Your Honor, if I may -- raise that
6 issue for a very specific reason. SSG is not offering that
7 license for sale. That is not part of the AP --

8 THE COURT: So when we say license, let's just drill
9 down a little bit. License of what?

10 MR. VAGNONI: Absolutely. Very vague.

11 THE COURT: License of what?

12 MR. VAGNONI: There is a 2021 settlement agreement
13 that a single line in it that is a -- called a grant of rights.
14 In that grant of rights, Rembrandt reports to give the rights
15 -- the nonexclusive rights to use their intellectual property.

16 By the way, that settlement agreement was entered
17 into the day or the day before Rembrandt -- they became a
18 creditor by virtue of that and then were a petitioning creditor
19 in Stream's failed involuntary bankruptcy in Delaware. We take
20 significant issue with that agreement as a whole. But let's
21 just take it as it is. That license agreement comes out of a
22 settlement agreement. And like I said, the -- SSG is not
23 offering that for sale. However, in the -- which you'll hear
24 about when we get to testimony.

25 In negotiations with VSI and with Rembrandt, it's

1 been made clear to us that if a transaction was to occur with
2 VSI, that the Rembrandt license would have no problem being
3 assumed.

4 And in fact, there are -- there is a post-petition
5 agreement that was entered into by Rembrandt Stream and VSI
6 that was not court approved that purported to do just that.
7 Give VSI rights in that license. And exclude Streams
8 subsidiaries from the use of that technology pursuant to that
9 license.

10 So that is why I indicated to the Court that if there
11 was a transaction that was a higher and better bid, which VSI
12 and Rembrandt are free to bid in this process. They've been
13 free all along. They've had access to the data room if they
14 wanted it.

15 The VSI is the only person who's taken up that offer.
16 That is what I was referring to. Not that it was generally
17 assignable. We don't think anybody has interest in it and we
18 also don't think we are selling any assets that have that --
19 Rembrandt intellectual property in that -- in the asset.

20 MR. MICHAELS: Your Honor, I'd like -- I apologize.
21 I'd really like a chance to finish answering your question that
22 you had asked previously.

23 THE COURT: Yes, that's fine.

24 MR. MICHAELS: So the -- you asked whether the issue
25 would be resolved if the Hawk party's just didn't take -- it

1 isn't a question of SSG selling our license. It isn't an
2 active patent infringement. The active patent infringement is
3 offering for sale in a patented invention on why Rembrandt,
4 right?

5 And the TVs, all of the assets that Mr. Vagnoni
6 clearly lists are being offered for sale. That is the active
7 patient infringement. SSG has committed patent infringement.
8 All five of those individuals have committed patent
9 infringement. The Trustee has committed patent infringement
10 unless they can show that they have a license.

11 So when Rembrandt is asking about the status of its
12 license, it is, are we suing those individuals and those
13 entities tomorrow? They -- it is -- if they have a license, we
14 can't. That is a full and absolute complete defense.

15 The agreement that Mr. Vagnoni's referring to is
16 Streams former counsel, almost immediately after filing the
17 petition contacted Rembrandt and said, we know we need a
18 license to your technology as an administrative claim. We need
19 to resolve this. And we signed a settlement amendment that
20 extended the time that prevented the estate from becoming
21 administratively insolvent due to the fees that were going to
22 be due to Rembrandt.

23 They have said they're not honoring that settlement
24 amendment. The arrears are \$3 million. Does the estate have
25 \$3 million to have that license?

1 THE COURT: So I'm trying to -- I feel like there's
2 litigation that's going to be spawned, right, by -- under the
3 licenses and I'm just trying to have a very basic understanding
4 of what is purportedly being sold by the Debtor.

5 MR. THOMPSON: They don't know, Your Honor.

6 THE COURT: I --

7 MR. THOMPSON: And that's --

8 THE COURT: -- and I get that. And I -- so I'm -- I
9 think that we have, like first thing -- what happened? Okay.
10 Good. Thank you for muting everybody.

11 So the first step to me seems that we should at least
12 come to an agreement, or at least I need to understand what is
13 being sold. So can we just focus on that for instance.

14 All right. So I think one of the comments -- and so,
15 you said before, like, they had described software or something
16 that was, like, their general description. So did you, Mr.
17 Vagnoni, describe on some schedule that software is going to be
18 sold as part of this?

19 MR. VAGNONI: Your Honor, I will -- if I may, to
20 preface what -- the answer to that question. What the Trustee
21 is selling is all of the assets of Stream, which are clearly
22 listed in schedules, which are a public document they have
23 access to.

24 Mr. Rajan, who is the head of VSI, signed those
25 scheduled, I believe, and he certainly took part in preparing

1 them. So he should know exactly what is in those schedules.
2 The other assets that are being sold in the APA are the equity
3 interest and all the subsidiaries of Technovative.

4 The software, the intellectual property, the license
5 to Phillips, all of that is contained in downstream
6 subsidiaries. We are not selling those assets per say. We're
7 selling the equity in those assets.

8 And this is typical of a case where a Chapter 11 or
9 Chapter 7 Trustee walks into a mess and sees that it's
10 spiraling out of control and tries to bring some control to the
11 situation and get the estate some money before there is no
12 money.

13 THE COURT: Okay. So again, my focus for right now
14 is, I'm just trying to understand what the assets are. So he's
15 telling me that he's purporting to sell the equity and the
16 entities that presumably are in possession perhaps of your
17 property, is that your understanding there?

18 MR. MICHAELS: Mr. Vagnoni just described the process
19 as typical, right? An IP -- a technology case of this sort,
20 purporting to sell intellectual property rights is anything but
21 typical. And I think --

22 THE COURT: Okay. So let's just focus on -- I just
23 want to drill down on what assets are being sold. So he's told
24 me that he's selling equity in entities that presumably possess
25 your intellectual property. Can we agree on that?

1 MR. MICHAELS: Yes.

2 THE COURT: Okay. Good. All right. That's
3 progress.

4 MR. MICHAELS: That's one -- I mean, that's one
5 aspect of what he said.

6 THE COURT: Okay. Fine. That's one aspect. Okay.
7 So tell me -- so your concern, though, is that when he purports
8 to sell the equity in these companies, then the buyer who takes
9 possession of the -- like, they buy the equity, right? Now,
10 they're going to own, you know, via that equity, everything,
11 you know, tangible and intangible that those entities own. And
12 your -- and so your position is that some of the assets that
13 they own are your property?

14 MR. MICHAELS: Yes.

15 THE COURT: Okay.

16 MR. EDEL: Your Honor, if I may --

17 THE COURT: Yeah.

18 MR. EDEL: -- since I'm representing Hawk. The --
19 Mr. Vagnoni is correct. We're -- the stalking horse is
20 acquiring the equity. Stream is a holding company. All the
21 operating entities, the main operating entities in the
22 Netherlands and requiring the stock that owns the stock that
23 owns the stock that owns that entity. The fundamental dispute
24 here is that Rembrandt believes that its trade secrets, its
25 knowledge, its know-how is embedded in everything that Stream

1 does.

2 So every TV that it has, every computer that it
3 touches, somehow can -- you know, involves their intellectual
4 property. Now, there's intellectual property such as patents.
5 Rembrandt brought patent litigation many years ago, but it was
6 dismissed, and they have not asserted a patent case.

7 They're really talking about the intellectual
8 property. We disagree. We believe that the technology that
9 Stream developed through its operating subsidiaries overseas is
10 -- belongs to Stream. If my client acquires the stock, it's
11 acquiring that entity, the good, the bad, and the ugly.

12 And if that means that entity, if Rembrandt believes
13 that entity has put intellectual property into a TV or trade
14 secrets, we'll duke it out after the fact. But what this is
15 all about, this is Rembrandt and attached to the hip of Mr.
16 Rajan trying to stop at every opportunity this case moving
17 forward.

18 THE COURT: Okay. I know.

19 MR. EDEL: Rembrandt --

20 THE COURT: You believe there's spoilers and I --

21 MR. EDEL: Well, Your Honor, I think it's -- it's not
22 just, I think. As Mr. Vagnoni indicated, they entered into a
23 settlement. They're standing before Your Honor before today
24 trying to hold up this sale. Rembrandt entered into an
25 agreement during the pendency of the bankruptcy and amended it

1 with Mr. Rajan where they identified all of their technology,
2 all of their knowhow, how they believed it was being used in
3 everything and said, if Mr. Rajan gets the company, all is good
4 in the world. No one else is allowed to have it.

5 And then come before the Court today and say, we have
6 no idea how he's using our stuff. Well, they had a pretty good
7 idea when they were executing documents, you know, in the
8 shadows during the pendency of a bankruptcy. But now they want
9 to come, Mr. Rajan, who founded the company, ran the company
10 until he was -- you know, the Court determined he was
11 uncredible and removed him. And throughout the entire pendency
12 of the second bankruptcy which dismisses fraudulent at the aide
13 of Rembrandt to today, they're attached at the hip.

14 This is, with all due respect to the Court, my client
15 has been through this process for many, many years. It's a
16 very simple sale. Nobody else, and I think this cannot be
17 lost, nobody else is interested in these assets. No one has
18 come forward to the pendency of the bankruptcy.

19 THE COURT: All right. But we aren't going to get
20 into this. But from what I understood, the data room is not
21 complete. I mean, there's --

22 MR. MICHAELS: That's right, Your Honor.

23 MR. EDEL: The --

24 MR. MICHAELS: That's by design.

25 MR. EDEL: -- data room is not complete because the

1 data room does not include the fraudulent documents Mr. Rajan
2 created during the bankruptcy, for example --

3 THE COURT: Okay. Well --

4 MR. EDEL: -- these purchase orders that don't exist.

5 THE COURT: I would like to just -- I would like to
6 be able to have civil conversations here today. And I
7 understand you guys don't like each other. I know that. So to
8 the extent that we could -- I understand. Like, I call it
9 spoilers. You think that they're spoilers. You guys think
10 that they're selling your assets, and everyone is really
11 annoyed with each other. I get the sentiment. I understand
12 that.

13 Okay. But it doesn't help me get to the point. So
14 let me tell you what I think is one possibility here, right?
15 So Mr. Vagnoni wants to sell the equity in these companies, if
16 there's -- if we get to the point of a sale and there's no
17 other bidders and Hawk picks up these assets, then under 363
18 when he gets all this stuff, to the extent that you think that
19 he's misusing it, then you're going to sue Hawk, right? Aren't
20 you going to sue Hawk?

21 MR. MICHAELS: We already have. They're in --

22 THE COURT: Yeah. Yeah.

23 MR. MICHAELS: -- we're in litigation in Delaware.
24 But I think what I'm trying to be clear here is that Mr.
25 Vagnoni has -- they're talking about a bunch of equity, and

1 he's also put on their asset list that they are selling devices
2 that are accused of being -- infringing over on Rembrandt's
3 patterns and Stream, under the guidance of DLA Piper, took a
4 license.

5 Stream again renewed that -- negotiated again are
6 Armstrong T -- they advised them to do that. Lewis Brisbois,
7 same thing. We have numerous law firms evaluating these claims
8 and saying this was a good idea. We have Mr. Homony testify.
9 He's done no investigation as to whether this is a good idea or
10 not. And they ignored the issue.

11 They have not -- if the Rembrandt is not valid, we're
12 hearing, you know, testimony that may or may not -- this
13 Rembrandt license may or may not be valid. It was, you know,
14 executed in 2021 right before a bankruptcy.

15 So if it's not valid, that means all the activity
16 that the estate to date are infringing a patent. I just want
17 to be clear that that's the argument, is that this estate goes
18 almost instantaneously administratively insolvent. And we are
19 looking for and we will ask the Courts -- the District Courts
20 to enjoin any transfer of our intellectual property.

21 Now we have licensed Stream. We have -- we are
22 arguing that the license is valid but cannot be transferred.
23 You may not transfer our intellectual property. You take a
24 ring, and you put it in a box and say, well, I'm just selling
25 this box, whatever may be in it.

1 You know, we've evaluated what's inside the box.
2 What's inside of SeeCubic B.V. is Rembrandt technology. We've
3 gone through that multiple law firms representing Stream. And
4 we have determined that a license was necessary. And SSG does
5 not get covered by ignorance. There's no, I didn't know, Your
6 Honor. It defends patent infringement.

7 They are actively offering for sale assets that
8 include that were directly laid out in the complaints back in
9 2017. And while Mr. Caponi said it was dismissed, it was a
10 jurisdictional. Every patent case under *TC Heartland*, the
11 Supreme Court case was dismissed and had to be brought in the
12 home state of the corporation.

13 And we immediately entered mediation, and they
14 insisted the DLA Piper's counsel and Streams officers, most
15 notably, Shadron Stastney, insisted that the patents be
16 included in the license agreement.

17 So this idea that they weren't important to Stream is
18 not supported by the facts in any way, shape, or form. And we
19 are asking for clarity, is the Trustee operating and is SSG
20 operating under the license? I.E. they therefore can't be sued
21 for trying to sell a TV covered by one of our patterns.

22 THE COURT: Okay. It sounds like they want to sell
23 equity and entities who have hard assets that contain your
24 intellectual property. So the owner of the equity will
25 presumably then own these hard assets that have your

1 intellectual property embedded in them. That's what I
2 understand?

3 MR. EDEL: That's Your Honor, that's if it indeed a
4 -- a bidder is capable of determining what they're buying or
5 what the assets underneath that equity.

6 UNIDENTIFIED SPEAKER: Your Honor?

7 MR. EDEL: We have a whole list -- excuse me. We
8 have a whole list of items that purport to the assets of the
9 Debtors. I'm telling you today that that is an incomplete list
10 that was filed on this docket reported to this set of assets
11 that are being sold, that's substantially all of the assets of
12 the Debtors and we can show that.

13 More than that, the data room is breath of lots of
14 information. And the process -- and I know Your Honor wants to
15 focus on the assets, I will focus on the assets, but as Mr.
16 Caponi tried to raise the broader issues. The broader issue
17 here is that this trustee has agreed to transfer this set of
18 assets to one party and one party only and that is the Hawk
19 parties, right?

20 And they've done pursuant to 9019 settlement
21 agreement that purports just to be a settlement agreement, but
22 it's a sub rosa plan, because there's no other entity out
23 there, whether they be a strategic buyer or another competitor
24 of a Stream TV that would be interested in these assets under
25 these conditions based upon these encumbrances. And it's not

1 just --

2 THE COURT: Okay. So gentlemen --

3 MR. EDEL: -- not --

4 THE COURT: -- let's just take a moment here. So in
5 terms of the bid procedures, I have concerns I think that you
6 guys raised. Some legitimate concerns, which we'll get to,
7 right?

8 So I see, like, several different areas that need to
9 be addressed over time. The first is, you need to know what is
10 being sold. They're selling the equities that contain the
11 equity of entities that own the tangible property that has your
12 intellectual property. So now you know. They're -- that's
13 what they're trying to sell.

14 So the first step is, I'd just like to get some
15 clarity and make sure that we're all on the same page as to
16 exactly what's being sold. Then we'll go through the bid
17 procedures and all of the many objections, some of which I
18 thought were meritorious. But some of the issues that you're
19 raising are really important issues.

20 But to me, they appear closer to sale issues, right?
21 It's going to be a huge issue when you object to the sale,
22 right? I'm going to -- it looks like I'm going to need some
23 briefs on all of the very important issues that you have to
24 raise. But those are issues that, you know, that I think are
25 more appropriately dealt with then, right?

1 So in terms of, you want discovery. So the discovery
2 that you want, I think it's important for you to get discovery
3 if it's necessary on what assets are being sold. But we have
4 that -- we now have that nailed down.

5 So let's focus first on what exactly is being sold.
6 So you're selling the equity that has hard assets, that has
7 their intellectual property embedded in it. So let's --

8 MR. VAGNONI: Allegedly, Your Honor. There's been
9 no --

10 THE COURT: Oh, okay.

11 MR. VAGNONI: -- there's been --

12 THE COURT: That's fine. I understand you're not
13 conceding anything. But I just want, for clarity sake, to
14 understand what it -- you know, what's being sold.

15 MR. MICHAELS: Your Honor, their agent, SSG, as
16 investment banker, sent out a teaser that purported to sell the
17 capability of making licenses of the Ultra-D technology.
18 Rembrandt's technology or IP is in it and so is Phillips.

19 THE COURT: Okay. So what we're -- so that's not --
20 what I'm talking about, like, a hard asset. Now you're talking
21 about some technology, is that --

22 MR. MICHAELS: In some cases, it is a hard asset.
23 There are -- this lens technology they patented.

24 MR. SWICK: Your Honor, Adam Swick, Akerman on behalf
25 of Visual Semi, VSI. The issue is they have a stalking horse

1 bidder that has been at odds with the former debtor --

2 THE COURT: Clearly. Yeah.

3 MR. SWICK: Yeah, yeah. And so, they took control of
4 the Debtors' assets, they broke into the Debtors' offices,
5 stole TVs, they stole intellectual property. They've been
6 using them. They've been showing. There's emails and letters
7 and we'd love to get discovery from the Trustees, because we
8 believe the Trustee knows all of this.

9 And so, they have TVs in different locations. They
10 have different hard assets. All this is purporting to be sold
11 by the Trustee who hasn't gotten it back, because that's the
12 stalking horse and they need the stalking horse to be able to
13 go out and raise money to fulfil their obligations. And as of
14 the filings last night, the stalking horse doesn't have the
15 money to pay for the 363 as it is right now.

16 So yeah, what we need is discovery on where are all
17 these TVs? They're all over the world. They're in the
18 different offices of SeeCubic and the Hawk parties. I mean,
19 Mr. Caponi up here, he represents the Hawk party's and Robert
20 Morten (phonetic), who's subject to a cold shoulder, which is
21 the worst crime of moral turpitude in the U.K. It's supposed
22 to end your career and that's who these guys have hitched their
23 wagon to. So we just need discovery to find the assets so we
24 -- if they want us to participate in a 363 sales process, how
25 are we going to do that if we don't know where the TVs are?

1 Who's --

2 THE COURT: Okay.

3 MR. SWICK: -- using them?

4 THE COURT: So again, let's just focus back on what I
5 care about. What I care about is, I want to know what they're
6 purportedly selling.

7 MR. SWICK: They don't know.

8 THE COURT: Okay. And I know you say that. But why
9 don't we just go through all of the concerns you have about the
10 identity of the assets?

11 Yes?

12 UNIDENTIFIED SPEAKER: Your Honor, going -- sort of
13 taking a broad step back, how we ended up here. My client has
14 a security interest. Again, Stream's the holding company. Has
15 no assets, other than stock and subsidiaries.

16 My client's security interest was primarily in the
17 stock and subsidiaries, not in the assets of the subsidiaries.
18 The 225 action, which we settled through the 9019, we were a
19 day away from taking control of that stock.

20 This settlement and this sale is effectively the same
21 thing. It's selling the stock. The companies that -- whatever
22 assets are in those companies that my client shows up and there
23 was TVs -- before my client and everybody else shows up,
24 there's TVs there, they own them. If they're not, they don't.

25 It's the stock. They want to drill down into -- and

1 if we get into this level, what TV is sitting in Copenhagen and
2 what software is on that TV, we're going to be here for six
3 years. One, we're never going to know because it's in
4 Copenhagen. But, we're going to be here for six years. This
5 is a sale of stock, the security interest was in the stock.
6 And absent the settlement, my client would have already had
7 it's one day hearing in a court of chancery and owned the
8 stock, this would all be muted. This is a path of least
9 resistance to an estate that never had any money and doesn't
10 have any money. This deal is --

11 THE COURT: Okay. I understand that you're buying the
12 stock. But in order for any potential bidder to understand
13 what they're buying, right, they know that they're getting the
14 stock. But presumably, they'd like to get a better idea of
15 what the hard assets or the intangibles are of the entities
16 whose stock you're purchasing, right?

17 So I think it's reasonable that there should at least
18 be some general description of -- you know, it doesn't have to
19 be, like, I don't need, like, a audit, right, of every single
20 TV or every single hard asset.

21 But isn't there some kind of --

22 UNIDENTIFIED SPEAKER: Your Honor --

23 THE COURT: -- schedule that we could put together
24 that would say, you know, all the -- I mean, I don't know. Are
25 you just purporting to say that all of the equipment and all of

1 the -- you know, every personal property owned by these
2 entities. But do we have, like, a vague description of, like --

3 UNIDENTIFIED SPEAKER: Well, there's --

4 THE COURT: -- you know, approximately this many TVs
5 or approximately this many --

6 MR. VAGNONI: Yes, Your Honor.

7 THE COURT: -- other things.

8 MR. VAGNONI: The --

9 THE COURT: Okay.

10 MR. VAGNONI: -- answer is yes. We have a list that
11 we're happy to share with you.

12 The -- one thing I want to point out to Your Honor is
13 the process that we -- that was started over a month ago that
14 was teasers were sent out to over 500 different entities, both
15 strategic and financial, by SSG. Mr. Victor is going to
16 testify about that for you as part of the sale procedure.

17 We got exactly zero interest from those teasers.

18 Nobody asked the question of who -- what is in there. The only
19 parties that expressed an interest were VSI and not Rembrandt
20 and a purported investor in VSI.

21 And we have worked with VSI, who by the way Your
22 Honor, I think you're getting the picture that they are in the
23 unique position to know exactly what those assets are that are
24 being sold. Exactly what they are.

25 VSI has expressed no interest in bidding on these.

1 They wanted to go down a sale process, which we will describe
2 to you why that is not a possibility. But not even speaking to
3 Mr. Michaels comments about the lawsuits and the estate being
4 administratively insolvent.

5 The purchaser is assuming all liability. Not just
6 from Rembrandt under an IP claim, but they're assuming any
7 liability from any alleged IP infringement. And they're fully
8 indemnifying the bankruptcy estates, the Trustee, and the
9 Trustees professionals.

10 MR. MICHAELS: Exactly, Your Honor.

11 MR. VAGNONI: We think that we are insulated -- and
12 that was based on what we think are hollow threats, but that
13 doesn't mean there won't be a lawsuit and that the Defense
14 won't impair the unsecured creditor's ability to get a
15 distribution. That's what we're trying to protect here.
16 That's what we're trying to specify.

17 THE COURT: Okay. So Mr. Vagnoni, let me tell you
18 what I'm interested in. You know, in a 363 sale, you know,
19 you're -- my concern is, I just want to make this a transparent
20 process so that any potential bidder could understand what is
21 being sold, right?

22 So it sounds like you -- you know, you have this
23 teaser. I haven't seen what the teaser says, but this list of
24 all of the -- you were saying that there was a schedule that
25 the owner of VSI -- what was his name again?

1 MR. VAGNONI: Mr. Rajan.

2 THE COURT: Mr. Rajan? Okay. So Mr. Rajan, at some
3 point, put together some kind of a schedule of what each of
4 these entities owned.

5 MR. VAGNONI: Schedule A. Oh, I'm sorry. Yes, the
6 Schedules A and B to the -- the official schedules of the
7 Debtors.

8 THE COURT: Okay.

9 MR. MICHAELS: Excuse me, Your Honor. I have to --
10 correct. Is that your -- is this the Trustees schedule or are
11 you suggesting --

12 THE COURT: I think --

13 MR. MICHAELS: -- that this is Mr. Rajans schedule.

14 THE COURT: No, I thought you were saying Stream's
15 schedule?

16 MR. VAGNONI: The Debtors.

17 THE COURT: Yeah.

18 MR. MICHAELS: Okay. So it wasn't Mr. Rajan's
19 schedule, just -- correct?

20 THE COURT: Yeah. No, no, no.

21 MR. MICHAELS: Correct.

22 THE COURT: I'm trying to understand. So when Stream
23 filed for bankruptcy, they had a file scheduled in the
24 statement of financial affairs and as part of that you have to
25 schedule Schedule A, which is the real property and Schedule B,

1 which is the personal property.

2 So when he put those schedules together, did he --
3 and he was putting together the personal property owned by the
4 entities whose equity you're selling in the sale, Mr. Vagnoni?

5 MR. VAGNONI: That's correct. And Your Honor, there
6 is zero intellectual property in that Schedule B.

7 THE COURT: Okay. But -- so I think that one issue
8 that I'm identifying is that the personal property that was
9 scheduled in Schedule B of Stream contained hard pieces of
10 equipment or something that they are now claiming has their
11 intellectual property embedded in.

12 I'm just trying to understand everyone's position.
13 You're saying that in Schedule B is a list of a bunch of hard
14 assets, right? And they're saying that in those pieces of hard
15 assets are some of their IP embedded in it?

16 MR. VAGNONI: Stream -- Your Honor, Steam is a
17 holding company.

18 THE COURT: Yes.

19 MR. VAGNONI: They're --

20 THE COURT: No, I understand.

21 MR. VAGNONI: I --

22 THE COURT: I understand they're a holding company,
23 but they put together Schedule B and Schedule B included hard
24 assets owned by their subsidiaries and affiliates, correct?

25 MR. VAGNONI: No, Your Honor.

1 THE COURT: Okay.

2 MR. VAGNONI: It was a list of assets that, again, we
3 -- the Trustee had no part in drafting.

4 THE COURT: Right, because this is before your time.

5 MR. VAGNONI: It was well before our time. And we --

6 THE COURT: So what -- let's describe. What's on
7 Schedule B?

8 MR. VAGNONI: It is a various list of equipment. On
9 Schedule B there is some office furniture. There's nothing
10 that we see that could contain Rembrandt's --

11 THE COURT: Well, I don't -- okay. At this point --

12 MR. VAGNONI: -- intellectual property.

13 THE COURT: -- let's -- okay. We're not going to be
14 able to resolve today whether -- you're not going to come to an
15 agreement with them as to whether or not their technology is
16 embedded in it. I just need --

17 MR. VAGNONI: Right.

18 THE COURT: -- to understand the argument, just so I
19 can try and move the case forward, okay?

20 MR. VAGNONI: Absolutely.

21 THE COURT: So what is on Schedule B? So it's the
22 furniture --

23 MR. VAGNONI: I don't have it with me and I can't
24 speak to what exactly is on it.

25 THE COURT: So does anyone have Schedule B of the --

1 MR. MICHAELS: Your Honor, I would just note that
2 there is an extensive list, over 800 pages long, attached to
3 Mr. Rajan's declaration in support of the filing --

4 THE COURT: Okay.

5 MR. MICHAELS: -- right? So --

6 MR. VAGNONI: That's not what we're talking about.

7 MR. MICHAELS: I'm sure it's not. I would just to
8 Your Honor that that's --

9 THE COURT: Okay.

10 MR. MICHAELS: -- on the record.

11 THE COURT: Okay. So -- but you're saying Schedule
12 B. So we're talking about the sale of equity of these
13 entities. Let's just call these entities, you know, the
14 subsidiaries, or I guess we just call them the entities.

15 So the entity stock is purported -- that's what
16 you're trying to sell. But these entities own certain hard
17 assets, correct? Aside from office equipment --

18 MR. VAGNONI: Correct.

19 THE COURT: -- and furniture, right?

20 MR. VAGNONI: Correct.

21 THE COURT: There's some -- there's other things.
22 TVs, right?

23 MR. VAGNONI: Potentially. We -- and Your Honor,
24 again, we --

25 THE COURT: When you say potentially, see that just -

1 - I just want to understand, you know, what is being sold.

2 MR. VAGNONI: There -- when I say potentially, there
3 are prototypes that are created by the Debtors downstream --

4 THE COURT: Entities.

5 MR. VAGNONI: -- subsidiaries.

6 THE COURT: Let's just focus on the entities. What
7 do the entities own? That's what I really want to focus on.

8 MR. VAGNONI: And again, I can give you the list we
9 sent them. The entities own intellectual property, they own
10 equipment that allows them to make prototypes of -- they're not
11 TVs. They are screens --

12 THE COURT: Uh-huh.

13 MR. VAGNONI: -- that show the technology to
14 potential investors or purchasers.

15 THE COURT: Yeah.

16 MR. VAGNONI: They own licenses, the Phillips
17 license. And really that's about it. The downstream entities
18 are meant to house intellectual property, they're meant to
19 house licenses, and they're meant to do research and
20 development.

21 THE COURT: Okay. So hold on one second.

22 MR. VAGNONI: And the Trustees can testify to that.

23 THE COURT: So I presume, though, that your client,
24 Mr. Rajan, that he was the owner of Stream, right? He knew
25 what all of these subsidiaries owned. Didn't he know that?

1 UNIDENTIFIED SPEAKER: Yes, and he knows what was
2 taken by the stalking horse bidder and never returned after --

3 THE COURT: Okay.

4 UNIDENTIFIED SPEAKER: -- contempt of court --

5 THE COURT: Yes.

6 UNIDENTIFIED SPEAKER: -- in various litigations.

7 THE COURT: Okay. So --

8 UNIDENTIFIED SPEAKER: And there's bonding --

9 THE COURT: Again --

10 UNIDENTIFIED SPEAKER: -- machines that are tens of
11 millions of dollars.

12 THE COURT: -- this is what I care about. I just
13 want to identify the assets that are being sold. So doesn't it
14 seem that Mr. Rajan knows exactly what assets are owned by the
15 entities?

16 MR. MICHAELS: I would say, Your Honor, he does have
17 an understanding in -- probably in fairly good detail, and
18 that's the point that he has been making to the Trustee at
19 nauseum.

20 THE COURT: Okay. So -- but --

21 MR. MICHAELS: Right.

22 THE COURT: -- so you --

23 MR. MICHAELS: Your Honor, I just -- if I may, just
24 to complete the thought. It's that they don't understand that
25 there are other encumbrances including Rembrandt's license,

1 including the Phillips license on that property. And I would
2 say importantly that there is material amounts of assets that
3 have been in violation of the TRO, absconded with by Mr.
4 Stastney --

5 THE COURT: So if you --

6 MR. MICHAELS: -- and that has --

7 THE COURT: -- you think that -- that's a complete
8 separate issue.

9 MR. MICHAELS: Well, it's not, Your Honor --

10 THE COURT: That you think that.

11 MR. MICHAELS: -- because that intellectual property
12 that is in those prototypes, samples that are taken to market
13 to try to get investors and customers to buy or purchase the
14 ultimately asset that is Stream TVs product, those things have
15 the intellectual property not only of Stream TV, but also
16 Rembrandt and also Phillips embedded in it.

17 There's -- I mean, it was no accident that Mr.
18 Stastney on behalf of SeeCubic, Inc. and the Hawk party's
19 absconded with monitors that this trustee actually witnessed
20 with Mr. Stastney giving him a demonstration.

21 THE COURT: Okay. So who --

22 MR. MICHAELS: That happened.

23 THE COURT: So you're saying that Hawk has monitors
24 and Stream has monitors of the entities?

25 MR. MICHAELS: I'm saying that the Hawk parties,

1 specifically Mr. Stastney, SeeCubic, Inc. definitely had took
2 both monitors that are samples. They were displayed to be able
3 to sell the product. It obviously has embedded technology in
4 it. He took servers. He took computers. All of that would
5 have had his code in it, including Rembrandt's code.

6 THE COURT: Okay. So -- but are you saying that
7 that's not part of the sale or it is part of the sale?

8 MR. MICHAELS: I'm just suggesting to you that those
9 particular assets are not on the list. It was just filed by
10 the Trustee in support of the asset listing.

11 THE COURT: All right. All right. So hold on one
12 second.

13 UNIDENTIFIED SPEAKER: Your Honor?

14 THE COURT: No, hold on. Hold on one second.

15 You guys can all have a seat. We're going to be here
16 for a little bit.

17 So he's saying that some of the assets are not in the
18 possession of Stream. That they're in the possession of Hawk.
19 What's your response to that Mr. Vagnoni?

20 MR. VAGNONI: Your Honor, there -- it's clear to the
21 Trustee that there are assets that are not in his possession.

22 THE COURT: And are they in the possession of Hawk?

23 MR. VAGNONI: We are not aware of that, Your Honor.
24 We -- what we are --

25 THE COURT: So -- okay. Let me just ask you one

1 question. Do you think that there are assets owned by Stream
2 that are not in Streams possession?

3 MR. VAGNONI: Yes, there is -- there's a bonding
4 machine in China --

5 THE COURT: Okay.

6 MR. VAGNONI: -- that the Trustee has neither the
7 money or nor the wherewithal to get. We've gotten various
8 reports -- that was the subject of mediation which --

9 THE COURT: So does Hawk own any -- does Hawk -- is
10 Hawk in possession of any assets by Stream?

11 MR. VAGNONI: Not that I'm aware of, Your Honor.
12 SCBV, SeeCubic B.V. has prototypes. There is -- Mr. Stastney
13 is the director of SCBV. There is -- we have no indication
14 that Hawk is in possession of anything. If they are, that --
15 we've heard of tail of it, but we've never been given any
16 evidence that they have -- that Hawk has anything that is --

17 THE COURT: Why do you guys think that Hawk has the
18 Stream properties?

19 UNIDENTIFIED SPEAKER: Well, Hawk and its
20 subsidiaries broke into Streams offices and took them.

21 THE COURT: Okay. So let's stop right there.

22 UNIDENTIFIED SPEAKER: Yeah.

23 THE COURT: Okay. So let's go the Hawk person.

24 So they're accusing you guys of having broken into
25 Streams building and stolen things. So what's your response to

1 that?

2 MR. CAPONI: My response, Your Honor, it's part of
3 the same delusion arguments we've been dealing with for six
4 years. The -- as a result of the original settlement
5 agreement, the -- give you a brief history. Mr. Rajan borrowed
6 a bunch of money, never repaid it, the secured lenders reached
7 an accommodation with all the other directors and shareholders
8 to restructure, that led to an omnibus settlement agreement.

9 Following the omnibus settlement agreement, Mr.
10 Stastney took control and operated the entities for quite a
11 period of time before that was reversed. And when that was
12 reversed by the Delaware Supreme Court, they went back to the
13 Court of Chancery, and they were orders entered that required
14 everything to be turned back over.

15 Vice Chancellor Laster supervised that turning back
16 over and Mr. Rajan took back control of the company. Ever
17 since then, like a child afraid of the dark, they're constantly
18 saying there's this here, there's this under that bed, but
19 there's no evidence, no Judge, no ruling, no nothing. I can't
20 disprove the negative.

21 My client lent money; my client is not here. My
22 client here is a collateral agent for SeeCubic, Inc., which
23 owns the debt and we're just exercising our debt rights. They
24 want to --

25 THE COURT: Okay.

1 MR. CAPONI: -- full stop --

2 THE COURT: It's helpful --

3 MR. CAPONI: -- we have nothing.

4 THE COURT: -- for me if I just get answers to my
5 questions. So I just want you on the record, do you believe
6 that Hawk is in possession of any property owned by Stream?

7 MR. CAPONI: Hawk? No.

8 THE COURT: Okay.

9 MR. MICHAELS: Excuse me, Your Honor. I'm sorry.

10 THE COURT: Yes.

11 MR. MICHAELS: We each refer to the Hawk party's that
12 includes SeeCubic, Inc. Delaware and Mr. Stastney in his
13 individual capacity.

14 THE COURT: Okay. So with that --

15 MR. MICHAELS: We have evidence of that.

16 THE COURT: -- those --

17 MR. MICHAELS: Now, Mister -- I'm sorry.

18 THE COURT: Okay. So do any of those entities, do
19 you know? And if you don't know, that's fine.

20 MR. CAPONI: Well, I am not -- what I -- no, I am not
21 aware of them in possession of anything. I am --

22 THE COURT: That's owned by Stream?

23 MR. CAPONI: -- Jon may be able to address this, but
24 when Skadden was representing SeeCubic, Inc. in the Court of
25 Chancery, Schedules were put together, everything was turned

1 back over, it was done in detail. My client was not involved
2 in that. What I can say, Your Honor, and this gets to, again,
3 the whole -- of today.

4 There is this concept on the part of the other side
5 that once SeeCubic, Inc. took over through the omnibus
6 agreement, every piece of paper, every pen, every everything is
7 in -- somehow contains something that belongs to them. So if
8 there's a laptop, there's a TV. If there was a pitcher for
9 water that was in a conference room, they're claiming it's got
10 Rembrandt's technology. We don't agree with any of that.

11 We think we own the pitcher. We can -- we've gone
12 around and around in multiple courts with them about who owns
13 this, who owns that. As we stand here today, they don't have
14 any shred of evidence. They don't have a court order. They
15 don't have a document. They don't have a bill of sale. They
16 don't have a photograph. They don't have anything to
17 substantiate what they're saying.

18 My client has nothing that belongs to Rembrandt. My
19 client has nothing that belongs to this debtor. It is my
20 understanding as I stand here today and neither does Mr.
21 Stastney or does SeeCubic, Inc. We're never going to reach
22 agreement of this.

23 You could have discovery until the cow comes home,
24 they're going to say, well, no, no, we think it's in there
25 somewhere. Now, if it's not in the trunk, slash the tires and

1 see if he, like, you know, hid it in the tires.

2 THE COURT: So I understand your position, okay? But
3 I don't want to keep going around and around with the
4 arguments, okay?

5 MR. CAPONI: The answer is no, we don't have it.

6 THE COURT: That's great. That's all I need to hear.

7 MR. CAPONI: Absolutely.

8 MR. MICHAELS: Your Honor, I think it's important
9 that Mr. Caponi just told you that his client does not have it,
10 but he also told you that the Delaware Court supervised the
11 return of assets that was under court order to return after the
12 Delaware Supreme Court's decision.

13 He's not telling you that his client doesn't have it
14 and he doesn't know about anybody else. I will tell you that
15 we have evidence that Mr. Stastney and SeeCubic, Inc. of
16 Delaware did take assets, does possess assets now. Has used
17 those assets.

18 THE COURT: Well, okay. So just describe for me what
19 the basis of that evidence is.

20 MR. MICHAELS: The basis of that evidence is, I'll
21 start with just the Trustee. The Trustee saw those assets
22 during a meeting that he had with Mr. Stastney, in which --

23 THE COURT: When you say trustee, you're saying?

24 MR. MICHAELS: I'm saying Mr. Homony.

25 THE COURT: Okay.

1 MR. MICHAELS: Right?

2 THE COURT: Hello?

3 MR. MICHAELS: Who admitted to our client that it was
4 -- that he had actually observed it. That's one.

5 THE COURT: He had observed what?

6 MR. MICHAELS: He had observed a monitor built by
7 Stream TV in --

8 THE COURT: Uh-huh.

9 MR. MICHAELS: - the possession of Shad Stastney
10 during the pendency of this bankruptcy.

11 THE COURT: Okay. So --

12 MR. CAPONI: Your Honor, if I --

13 THE COURT: Yeah.

14 MR. CAPONI: -- this goes to when SeeCubic, Inc.
15 verses SeeCubic, B.V. SeeCubic, Inc. after everything was
16 turned around, continued to develop its own technology in this
17 space. That's -- they believe that everything in SeeCubic,
18 that's it's been developing, again, incorporates Streams
19 technology, which therefore incorporates Rembrandt's
20 technology.

21 So are there TVs? Yes. Are there laptops? Yes. Do
22 they belong to them? No. Have they -- and I would just put it
23 to the Court this way, if they believe this information or
24 these assets were retained, why did they not go to the Court of
25 Chancery, get an order to establish that?

1 Why during the year plus that I've been coming to
2 this court and the bankruptcy have they not, when Mr. Rajan
3 controls everything, get relief from the Court?

4 THE COURT: Okay. So let's everyone just return to
5 my focus, which is what is being sold?

6 Did you want to say something, ma'am?

7 MS. BRUMME: Yes, briefly, Your Honor.

8 THE COURT: Who do you represent?

9 MS. BRUMME: Marley Ann Brumme from Skadden on behalf
10 of SeeCubic, Inc., the Delaware entity. And contrary to what
11 our friends over here have to say, the supervision process of
12 the return of the assets from SeeCubic, Inc. back to Stream was
13 supervised by Vice Chancellor Laster and we've been hearing for
14 a year at least that SeeCubic, Inc. has not returned things.

15 That Mr. Stastney has things and until this bit of
16 evidence that he's presented here today about the Trustee
17 apparently seeing a demo unit, we've never seen any evidence to
18 substantiate that SeeCubic, Inc., the US entity and Mr.
19 Stastney, retained any assets.

20 What I think is getting lost here is that Stream TV,
21 as I think Your Honor understands, is a holding company. The
22 demo units were developed and built by SeeCubic B.V. in the
23 Netherlands, which is five entities down in the corporate
24 structure. Any demo unit that has been produced and especially
25 one that Mr. Homony has seen would be from SeeCubic B.V., which

1 is not a debtor here.

2 Further, Mr. Stastney, which they love to impugn
3 here.

4 THE COURT: The entity that you just said, though,
5 are they trying to sell the equity in that entity? The one
6 that's not the Debtor?

7 MS. BRUMME: It's five levels down. So Stream --

8 THE COURT: But they are trying? That is being sold
9 as part of the --

10 MS. BRUMME: The equity would be sold in the first
11 level subsidiaries.

12 THE COURT: And so they would own that equity?

13 MS. BRUMME: And then it would waterfall down.

14 THE COURT: Okay.

15 MS. BRUMME: Mr. Stastney notably is the director of
16 SeeCubic B.V. the Netherlands entity that develops all the
17 tech, and Mr. Stastney was installed as director by a
18 Netherlands Court when moving Mr. Rajan.

19 So any sort of implication that Mr. Stastney and
20 SeeCubic, Inc. are unlawfully retaining anything, there's no
21 evidence of that, one. And two, they can't conflate SeeCubic,
22 Inc. and what's going on at SeeCubic B.V.

23 THE COURT: Okay. Thank you. Okay. Let's stop one
24 second.

25 So I think what would be helpful for me is if we

1 could focus on all the potential bidders that are out there
2 that are not in this courtroom. And my job is to make sure
3 that they understand exactly what is being sold. So just
4 describing the equity, obviously, is not sufficient, because,
5 you know, the -- each of the entities whose equity is being
6 sold has some kind of personal property and that, I think, is
7 the schedule that I'd like to focus on.

8 So what is -- so is there, like, a schedule as part
9 of your, you know, proposed asset purchase agreement that
10 lists, you know, what is owned by the entities whose stock is
11 being sold?

12 MR. VAGNONI: We -- Your Honor, we do not have the
13 schedule together yet. But we do have the list of assets that
14 were turned over to --

15 THE COURT: Okay.

16 MR. VAGNONI: -- VSI.

17 THE COURT: So let's be clear. I don't want to set
18 up any procedures until we're clear on exactly what assets are
19 being sold, so that other potential bidders can have some idea.

20 So this is what I would envision if I was a potential
21 bidder. I see that the stock is being sold. I'd want to see
22 some general description of the assets that are owned by those
23 entities, so I know what it is that I'm buying. Now, obviously
24 you can't give me, like, pictures, so that's what we engage in
25 the due diligence process, right? A potential bidder --

1 MR. VAGNONI: Correct. And --

2 THE COURT: -- would see, like, a schedule that says,
3 you know, ten TVs and -- or whatever TVs.

4 MR. VAGNONI: Correct, Your Honor.

5 THE COURT: And then if their interest has peaked,
6 they would do their due diligence. And if they wanted to, they
7 could go out and go look at all this stuff or go look in the
8 room or do whatever.

9 MR. VAGNONI: So Your Honor --

10 THE COURT: Yeah.

11 MR. VAGNONI: -- that -- I -- you're correct in what
12 you're saying. And the process that was setup by SSG was that
13 a teaser would go out to drum up interest in potential bidders.

14 THE COURT: So what does the teaser say, just so I
15 understand? Do you have it?

16 MR. VAGNONI: Yeah, I absolutely do.

17 THE COURT: All right. Show me a teaser.

18 MR. VAGNONI: I have a book of art --

19 MR. MICHAELS: Your Honor, if I may? As you're
20 looking through the teaser, you will note that is specifically
21 mentions the Phillips license. Attached to that Phillips
22 license is a laundry list of software assets --

23 THE COURT: Uh-huh.

24 MR. MICHAELS: -- by title, function, what they do.

25 THE COURT: Uh-huh.

1 MR. MICHAELS: And we have asked since March whether
2 or not those are being included in the assets with zero
3 response.

4 You had said -- you had made an offhand comment
5 earlier about, well, you're not asking for an audit for
6 anything. However, the Phillips license requires an audit.
7 That that technology has been removed at termination of that
8 license, which would be caused by a change of control, I.E.,
9 sale of the entity.

10 THE COURT: That's a sale issue to me. You object to
11 the sale, because that's not permitted. As for the bid
12 procedure stage, I just need to identify what assets are being
13 sold.

14 MR. MICHAELS: My point to you, Your Honor, is there
15 is already a long list of software assets provided in the
16 Phillips license, along with a bunch of know-how and that -- a
17 simple question. Is this being included in the sale or not?
18 Is what we have asked. And I think is a touchstone for the
19 kind of list we are looking for here.

20 In addition, it seems that the retention of an expert
21 to walk through the Rembrandt list, we've provided a detailed
22 list of those trade secrets in the Delaware case and can --
23 that can ascertain whether or not those assets are or are not
24 included.

25 THE COURT: Okay.

1 Mr. Vagnoni, did you have the teaser?

2 | MR. VAGNONI: I do, by a book.

3 THE COURT: Okay. How -- the teaser is the binder?

4 MR. VAGNONI: No, it's in the binder.

5 THE COURT: Oh, okay. All right. So go ahead.

6 | Which -- what's the tab of this?

7 MR. VAGNONI: Tab four.

10 | MR. CAPONI: I have in front of me, Your Honor.

11 THE COURT: Oh, good.

12 MR. MICHAELS: We saw it. It's filed in the papers.

13 | But we --

14 MR. VAGNONI: And Your Honor, if I may?

15 MR. MICHAELS: -- did not get it.

16 MR. VAGNONI: That teaser was -- as I'm sure you're
17 aware, the initial document that was sent out, again, to over
18 500 different entities, that then invited them to contact SSG
19 so they could go into --

20 THE COURT: Okay.

21 MR. VAGNONI: -- a more complete data room.

22 THE COURT: I see that this is a one-piece teaser,
23 right?

24 MR. VAGNONI: Correct.

25 THE COURT: But as part of any potential sale, we

1 need to have schedules of -- you know, schedules of, you know,
2 what's being sold. Like, what's owned by those entities,
3 something, a description. Like, TVs or, you know,
4 approximately --

5 MR. VAGNONI: So --

6 THE COURT: -- 100 TVs or something.

7 MR. VAGNONI: Correct. And the irony of that
8 comment, Your Honor, is that yes, there would be a schedule
9 available to any potential bidder --

10 THE COURT: Uh-huh.

11 MR. VAGNONI: -- who wanted to come in and do due
12 diligence. There has been zero bidders that have even
13 scratched the surface of learning about this technology. The
14 only entity that desired to look in the data room was VSI,
15 who's made is abundantly clear to the Trustee that they have no
16 interest in bidding on the purchase of these assets.

17 THE COURT: So is your position, Mr. Vagnoni, that
18 this teaser provides sufficient information to potential
19 bidders that would allow them to show interest in this?

20 MR. VAGNONI: Yes.

21 THE COURT: So this one page, if someone likes what
22 they see, then they'll proceed with you? And if they don't,
23 like, this is sufficient information to kind of vet whether --

24 MR. VAGNONI: So --

25 THE COURT: -- there's interest out there?

1 MR. VAGNONI: Correct. And the Trustee hired SSG as
2 his investment banker and SSG as we've seen them do in numerous
3 occasions, initiates contact by first identifying potential
4 parties. They identified 500 plus different entities that they
5 sent that out to. Again, both financial and people in the
6 industry. And they sent that teaser out to those entities.

9 MR. VAGNONI: They got it with -- let me be clear.
10 They got one response from someone other than Rembrandt and
11 Rembrandt -- VSI and VSIs purported investor. That party
12 declined to sign an NDA once they spoke to SSG. And we'll --
13 Mr. Victor will describe why.

14 THE COURT: Okay. All right. Well, I'll --

15 MR. SWICK: Your Honor, I would --

16 THE COURT: -- this teaser.

17 MR. SWICK: Excuse me. I would just add that I think
18 Mr. Vagnoni -- I think Mr. Vagnoni has just given us an
19 admission against interest.

20 THE COURT: A what?

21 MR. SWICK: And a --

22 THE COURT: A what?

23 MR. SWICK: An admission against interest, right?
24 That this teaser yielded no bidders, other than the people who
25 already know about these assets. And why would there be no

1 bidders? Well, probably because they read things in a teaser
2 like this and they're sophisticated actors and they understand
3 the --

4 THE COURT: Okay. So --

5 MR. SWICK: -- effort to license things --

6 THE COURT: Okay.

7 MR. SWICK: -- that they cannot --

8 THE COURT: All right.

9 MR. SWICK: -- license.

10 THE COURT: I understand.

11 MR. SWICK: Is not appropriate.

12 THE COURT: Okay.

13 MR. SWICK: Okay.

14 THE COURT: Fine.

15 MR. VAGNONI: That --

16 THE COURT: All right. So --

17 MR. VAGNONI: -- is quite a leap, Your Honor.

18 THE COURT: Okay. So as part of the sale process,
19 though, will there be a more robust description then? Like
20 schedules of the assets owned by these entities? Something?
21 Some description?

22 MR. VAGNONI: Your Honor, and again, Mr. Victor is
23 prepared to testify today. But at this point after a month out
24 in the market and there having been no interest in --

25 THE COURT: Are you suggesting that because there's

1 no interest in the market that there's no need to prepare
2 schedules?

3 MR. VAGNONI: No, no, no. There are -- schedules are
4 being prepared.

5 THE COURT: Okay.

6 MR. VAGNONI: That will be attached to the APA to
7 make it clear what is being -- but I think they're going to be
8 more simplistic than what you are considering.

9 THE COURT: Okay. So what --

10 MR. VAGNONI: Any potential --

11 THE COURT: -- so just generally describe what it is.
12 It's going to be, like, equipment or software or --

13 MR. VAGNONI: Lists all of the assets of Stream and
14 the equity interest in Technovative subsidiaries. Now, Your
15 Honor, that doesn't mean that if someone who had interest in
16 getting due diligence on these assets --

17 THE COURT: Couldn't come in and --

18 MR. VAGNONI: -- wanted to get more information.

19 THE COURT: Yeah.

20 MR. VAGNONI: That SSG wouldn't give them whatever
21 they wanted. If they said, we want to know exactly what
22 SeeCubic, Inc. holds, they would have it. And a lot of that is
23 already in the data room. That's part of the process that SSG
24 runs.

25 THE COURT: Okay. I understand --

1 MR. VAGNONI: You don't send out a teaser that has --

2 THE COURT: Okay. I understand.

3 MR. VAGNONI: -- hundreds of pages.

4 THE COURT: Yes?

5 UNIDENTIFIED SPEAKER: Well, the data room, which was
6 prepared, then Your Honor asks for a list of assets, they
7 provide a list of assets.

8 THE COURT: In the data room?

9 UNIDENTIFIED SPEAKER: A lot of these assets weren't
10 in the data room before.

11 THE COURT: Okay.

12 UNIDENTIFIED SPEAKER: The Phillips IP wasn't there.
13 And I also want to say, this investor, he provided 170-million-
14 dollar proof funds. When they asked for it -- so liquid funds
15 in an account. They said, we just want to do some due
16 diligence, all right? They sat on that for three months. That
17 took \$1.8 million from our investor.

18 So this investment you're talking about, these are
19 the entities who want to buy these assets, bind this company to
20 a plan. It's getting sorted at every turn, because they're
21 married to this 9019 with the Hawk parties. But we have real
22 money. We want to pay unsecured creditors. We have to have
23 due diligence. We've got to get forward on this. And I mean --

24 THE COURT: Weren't you guys going to put together a
25 plan or something?

1 UNIDENTIFIED SPEAKER: Yeah, but we have --

2 THE COURT: So did you file the plan?

3 UNIDENTIFIED SPEAKER: No, we're going -- we have to
4 get diligence to know where the assets are so we can have it --
5 they want an unconditional offer for almost \$200 million for
6 these assets. We want to give it to them. But we also need to
7 know, where's the bonding machine? Is it still functional?
8 They said we could access to it. Then they said, oh, here's
9 some photos. We're not going to give you access to it and the
10 photos are two and a half years old, because they don't know --
11 like, the bonding machine is tens of millions of dollars.

12 THE COURT: Okay. All right. Okay.

13 All right. So --

14 MR. CLARK: Can I make a brief intervention?

15 THE COURT: Yes.

16 MR. CLARK: I apologize. And I won't make very many
17 interventions in this matter because there are people here who
18 know a lot more about this case than I do. I'm a recent entry.

19 But I appreciate the Court's concern about making
20 sure that you have an open and fair bid procedure so that you
21 can have a true 363 sale. The problem that we have here is
22 this case reminds me a lot of *Fiskarata* (phonetic) we have a
23 secured claim from a secured creditor that I understand lent in
24 terms of hard money about \$39 million. Maybe 45, depending on
25 whether you count some additional advances by Mr. Stastney.

1 But now we have a 9019 that says their actual claim is \$180
2 million. And that they can credit the -- their 150 million of
3 it.

4 As in *Fiskarata* with a credit bid of \$150 million,
5 that means that the stalking horse bidder doesn't actually have
6 to put up anymore in terms of cash than the seven and a half
7 million dollars that they said they were going to credit.

8 THE COURT: They're going to credit it. Right.

9 MR. CLARK: So for seven and a half million dollars,
10 they get in the door. Anybody else who wants to play this game
11 has to come up with cash, cash in the amount of \$157.5 million.

12 MR. VAGNONI: That's not accurate.

13 MR. CLARK: Excuse me. I'm sorry, maybe it's less.
14 But it's a lot more than \$39 million, that's for sure.

15 And that's -- and to me, that's the real story here.
16 That we have a bid process where the amount of money that
17 anybody else who wants to play this game has to come up with,
18 certainly north of \$100 million in order to be able to play
19 this game and be prepared to close in December.

20 If we were talking about a plan process so I could
21 understand how we could come up with a structure where \$170
22 million or such might end up being -- be folded into a plan.
23 But on a expedited sale process, where the proposed bidders
24 don't know for sure what's going to be sold until --

25 THE COURT: Why do you say it's a expedited sale

1 process?

2 MR. CLARK: -- we get to today.

3 THE COURT: Why do you say it's an expedited sale
4 process?

5 MR. CLARK: Well, it's expedited in the sense that
6 the bid procedures motion contemplates that the bids will be
7 received -- binding bids will be received by Friday of this
8 week. So that gives whoever's going to buy this, other than
9 Hawk, two days to do the due diligence that we're talking
10 about. Two days. And that the Trustee will then make a
11 decision on Monday. And then the sale will close in December.

12 Now, as a practical matter, that's not what I would
13 call an open and transparent process. So if you want to know
14 why there aren't other bidders here, it seems to me it's
15 straight forward. With a 180 -- 157.5-million-dollar credit
16 bid in place, nobody's going to come to the table.

17 THE COURT: So I think, though, what I'm hearing is
18 that the credit bid is a hurdle to other potential bidders from
19 entering the situation? Unfortunately, I've already approved
20 the settlement, the 9019 agreement that they have. So that's
21 what Hawk is. I mean, and they --

22 MR. CLARK: I understand that, Your Honor. And --

23 THE COURT: -- and because I've approved that, they
24 have -- they're allowed a credit bid. That's just part of the
25 system.

1 MR. CLARK: And candidly, Your Honor, as I look
2 through this, looking at it from the standpoint, you know,
3 obviously I've sat in your position. So I asked the same kinds
4 of questions I would like to think that you would ask. And
5 what occurred to me in this particular case is there is a
6 motion to reconsider and I'm glad that it hasn't been ruled on
7 yet because it strikes me that this process is fundamentally
8 flawed because of the provisions that were put in that 9019,
9 that they were all but certain to assure that there would be no
10 other bidders.

11 THE COURT: Okay. Thank you, sir.

12 MR. CLARK: Thank you, Your Honor.

13 THE COURT: You're welcome.

14 MR. VAGNONI: And Your Honor, just so we're clear on
15 the -- there are very limited issues that's why in the motion
16 to reconsider one of which isn't --

17 THE COURT: Let's focus on the bid procedure, shall
18 we? I think I'd like to just hone in on some of those things.
19 I don't want to hear re-argument on something I already heard
20 on. Okay. So I want to talk about some of the substantive
21 concerns that Rembrandt and VSI has raised in their objections,
22 if we could turn to that for a minute. Let me just get this.
23 Okay. So I wanted to take, for instance, the bonding
24 equipment. So is the bonding equipment being sold as part of
25 the sale?

1 MR. VAGNONI: Yes, Your Honor. It is. The problem
2 we have with the bonding equipment is there are disputes as to
3 who owns the bonding equipment.

4 THE COURT: Okay.

5 MR. VAGNONI: But what we believe is that either the
6 Debtor owns it and the Debtor did list the bonding equipment in
7 its Schedule B.

8 THE COURT: Uh-huh.

9 MR. VAGNONI: And the rest of the things in Schedule
10 B are office equipment and FF&E. But the Debtor alleges that
11 it owns it. There has been -- there has been allegations that
12 that bonding equipment was transferred to SeeCubic B.V. The
13 Debtor downstream, the Stream downstream subsidiary.

14 THE COURT: Transferred by whom? Who transferred it?

15 MR. VAGNONI: So and I can't speak to this directly
16 because I was not involved at the time, but it was my
17 understanding that at the time of the omnibus agreement that --
18 and correct me if I'm wrong, but that their allegation that
19 that -- that the bonding equipment was transferred by the
20 controlling entity -- by the Debtor to SeeCubic B.V. Whether
21 or not it's the Debtor's property or SeeCubic B.V.'s property,
22 that bonding equipment is being transferred.

23 THE COURT: Okay. All right. Just give me a minute
24 to go through all of this for one moment. Okay. So this is
25 how I would like to proceed. Before I sign off on any bid

1 procedure order, I'd like to see what the schedules are to the
2 purchase agreement. I just -- I think that we should put
3 together the schedule, but I don't think that you have the
4 schedule here today, right?

5 But what I envision is, since it does seem to be an
6 issue, what is being sold, I'd like someone to put together the
7 schedules and then I'd like you to -- and you could break it
8 out any way you want. Perhaps you could say that this entity,
9 you know, has these assets and that's what could be part of the
10 sale when you buy the equity of that entity.

11 And then what I'd like to do is I'd like to invite
12 VSI and Rembrandt to look at those schedules and to point out
13 the very many issues that I think that they're going to have
14 with those schedules as to potentially flag the issues that you
15 have with regard to each of those entities.

16 And then what I think we should do for any potential
17 bidder is they should see a list of the scheduled assets that
18 actually do have some asterisks to them, which might note there
19 were objections or concerns that you guys have to those assets,
20 right? So that whoever is, you know, potentially interested in
21 buying the assets will see your asterisk, right? And then
22 either we'll get them in as bidders or not. So I think the
23 first thing I'd like to do is I'd like to get that schedule
24 together --

25 MR. THOMPSON: Your Honor, if I may be heard just on

1 one of those asterisks because we just heard about the bonding
2 machine.

3 THE COURT: Uh-huh.

4 MR. THOMPSON: If you look at what the Trustee just
5 filed with respect to the bonding machine, it's got conditions
6 all over the place, right? And it is not guaranteeing --

7 THE COURT: Could you -- which one? Could you --

8 MR. THOMPSON: -- not guaranteeing the transfer right
9 to any buyer, right?

10 THE COURT: Okay.

11 MR. THOMPSON: So --

12 MR. GEORGE: But the buyer will know that.

13 MR. THOMPSON: Well, it would not have known that --

14 THE COURT: Okay. Could we just stop and just take a
15 moment that you're selling something that you may or may not
16 have. That just does seem a little curious.

17 MR. THOMPSON: Thank you, Your Honor.

18 THE COURT: Doesn't it seem a little curious?

19 MR. THOMPSON: That's precisely our --

20 MR. VAGNONI: Your Honor.

21 MR. THOMPSON: We may or may not be in possession of
22 it.

23 THE COURT: Okay. All right. Argument for the
24 Trustee. I just have to get an answer to the question why is
25 it not weird to say that you're going to sell something but

1 then not be sure if you're actually going to get it.

2 MR. THOMPSON: Your Honor --

3 THE COURT: I'd like to hear from the Trustee. I'm
4 sorry, I didn't mean you, I met the guy standing behind the
5 asterisk --

6 MR. HOMONY: Prior to my appointment, as you can tell
7 -- was a complete and utter disaster.

8 THE COURT: It still kind of seems like a disaster
9 which I'm trying to clean up. Yes.

10 MR. HOMONY: I want you to appreciate Stream used to
11 own the bond equipment --

12 THE COURT: Uh-huh.

13 MR. HOMONY: -- before the omnibus agreement which
14 set all this off.

15 THE COURT: Okay.

16 MR. HOMONY: At some point, we were informed that a
17 receiver -- again prior to my getting on the scene -- a
18 receiver was appointed to oversee Technovative in Delaware
19 District Court. I believe that receiver retitled the bonding
20 equipment into the Netherlands subsidiary --

21 THE COURT: Okay.

22 MR. HOMONY: -- the equity of which I'm selling --

23 THE COURT: Okay. Yeah.

24 MR. HOMONY: -- because it's in China, there's issues
25 with warehouse liens, past due rent.

1 THE COURT: But presumably that's something that's
2 being sold --

3 MR. HOMONY: It is being sold, Your Honor.

4 THE COURT: -- if you can get through -- if you can
5 jump through all those hurdles.

6 MR. HOMONY: It is being sold. But as I'm sure you
7 can appreciate in other cases, somebody's holding that asset
8 that might demand --

9 THE COURT: Okay. But that's okay.

10 MR. HOMONY: -- \$500,000.

11 THE COURT: That's okay. I mean --

12 MR. HOMONY: Before it gets --

13 THE COURT: So perhaps with regard to the bonding
14 equipment, there'll be a very long asterisk which will describe
15 exactly where it is and all the claims subject to it. And you
16 guys would be able to add something to that as well.

17 MR. THOMPSON: Your Honor, there's an omnibus order
18 -- an omnibus agreement that was overturned by the Delaware
19 Supreme Court. And thereafter there was a chancery court
20 opinion directing the return of all the equipment including
21 that.

22 THE COURT: Let me just tell you where I'm focused
23 at.

24 MR. THOMPSON: Okay.

25 THE COURT: Where I'm focused at is, I just want to

1 know what's being sold even if it's subject to a million
2 caveats, right? So we're going to work together and we're
3 going to come up with a schedule so at least a normal person
4 will at least know this is what's being sold.

5 Now, just based on my preliminary observation, I
6 don't believe anybody will be bidding for these asset because
7 you guys are hopping up and down. You really think that -- you
8 know, that it's your stuff that's going to fall on this
9 litigation. I just want to tell you what I think that the
10 logical conclusion of all of this is going to be. That if we
11 ever get to a sale, there will be no other bidders because
12 you'd have to be crazy to enter this like firestorm of like,
13 you know, litigation, right?

14 So what it's going to be is we're going to have Hawk,
15 who wants to be the buyer. They're the stalking horse bidder.
16 No one else is going to bid. And you guys are going to raise a
17 slew of objections to the sale, right? And if I have -- I have
18 Hawk, right, who's going to then say, you know, Your Honor, I'm
19 going to -- this is what I want to buy and I know that they're
20 hopping mad and they're going to sue me and that they're going
21 to -- they have all these, you know, issues or whatever.

22 And then at that point, if I approve the sale to them
23 that I'm delivering that to them, Hawk is going to pay them
24 whatever they're going to pay and then you guys, Hawk and you
25 guys are going to fight it out, right? And then I don't have

1 to resolve, right, exactly who owns what or whatever, because
2 they're going to be doing all of that, right? And then you can
3 engage in that fight. But all of your jumping up and down, it
4 does have a chilling effect on the bidding as well, right. It
5 will make it -- it will basically guarantee that Hawk will be
6 the buyer of these assets at the end of the day.

7 MR. THOMPSON: That's already been guaranteed, Your
8 Honor.

9 THE COURT: Okay.

10 MR. GEORGE: Your Honor, if I may. This is --

11 THE COURT: Yes.

12 MR. HOMONY: Your Honor, I can address --

13 MR. GEORGE: I would just like to --

14 THE COURT: Okay.

15 MR. HOMONY: This case has been drawn out for a long
16 time. And as I'm sure you can appreciate, Stream is a pre-
17 revenue company. It has no revenues, it has no ability to
18 generate loans. Part of the Hawk settlement provided that Hawk
19 through SeeCubic would continue to fund the Netherlands,
20 SeeCubic BV, which is an operating entity with real people
21 there who really care about this technology, have lived with it
22 for 20 years and want to see it commercialized.

23 The longer this goes, their livelihoods are put in
24 jeopardy. The value of these assets is put in jeopardy because
25 if I have an outside -- a date where they have agreed to fund,

1 which is December 10th. If the sale isn't closed by December
2 10th, there's no funding secured for those people in SeeCubic
3 BV, and not only their lives, but the value of these assets
4 will disappear.

5 Right now, through the carveout I think my and my
6 team have managed to secure between 9- and \$10 million in cash
7 for the benefit of unsecured creditors, which would otherwise
8 vanish. And so I just -- I want everybody in this room to
9 appreciate --

10 THE COURT: Yes. I get it.

11 MR. HOMONY: Okay.

12 THE COURT: I understand.

13 MR. HOMONY: Thank you, Your Honor.

14 THE COURT: Thank you. Okay. Hold on one second. I
15 don't want to hear from anyone right now. Okay.

16 So Mr. Vagnoni, when -- and you can talk to your
17 colleagues here, but when do you think you could put together a
18 schedule of what be -- I mean, if this is going to be going out
19 for bidders, we need to have like a schedule. So when would
20 you be able to put together some schedules?

21 MR. VAGNONI: We'd have to do it -- I do have to
22 speak with -- but we have to do it immediately.

23 THE COURT: Why don't you talk to your people and
24 tell me how soon you could get those schedules together? Go
25 talk to them.

1 MR. VAGNONI: Thank you, Your Honor.

2 THE COURT: You're welcome. So while they're doing
3 that, I didn't realize the whole room was empty. Perhaps what
4 we'll do is while they're doing that can I just run through the
5 rest of my list because I have a 12:30 list as well. So I'm
6 just going to -- you can keep all your stuff here. Keep all
7 your stuff here. I'm just going to run through my 11:00 list.
8 Oh, with the other parties. Yeah. Yeah. But so just sit
9 tight.

10 Pam, what else do we have going on at 11:00?

11 THE CLERK: 11 should be all --

12 THE COURT: Oh, good. Excellent. Okay. Good. So
13 hold tight right there. So I just want to take a short break
14 and I'll be right back.

15 THE CLERK: Okay.

16 (Recess)

17 THE CLERK: Court is back in session.

18 THE COURT: All right. Mr. Vagnoni, when do you
19 think you'll have those schedules for me?

20 MR. VAGNONI: We can have them filed by tomorrow.

21 THE COURT: Okay. Great. So what I would like is --
22 what I envision is that there will be schedules identifying
23 what the assets are. And I think that for instance, with the
24 bonding equipment, you should drop an asterisk that says, you
25 know, we are actually not in possession of the bonding

1 equipment and whatever caveats you think there may be to
2 actually a buyer taking possession of them. I think you should
3 add that to that.

4 MR. VAGNONI: Absolutely. And Your Honor, just to be
5 clear, you know, with the foreign subsidiaries, the Trustee
6 isn't in possession of those assets either, but they are in the
7 possession of subsidiaries of --

8 THE COURT: Okay. So you should just -- I just want
9 this to be clearly laid out where everything is. So if someone
10 were to look at this, they understand these are the issues that
11 I face if I put in a bid.

12 MR. VAGNONI: Understood.

13 THE COURT: Okay. Then I'd like you guys to take a
14 look at the schedules because before it goes out to other
15 potential bidders, I'd like to get your input. And I think
16 that you have lots of different issues like, you know, you
17 could say that, you know, these assets are subject to our
18 claims and put whatever, you know, statements in there that you
19 think would be appropriate.

20 And I think just to be clear that, you know, if you
21 have an asterisk, you know, you might have an asterisk saying
22 these are the Debtors comments about, you know, like maybe just
23 say a footnote, why don't you have a footnote, right? You put
24 a footnote and you say this is debtor's position that these
25 assets are not in our possession or whatever. Put whatever

1 caveat.

2 And then we're also going to have footnotes with you
3 guys and you're going to -- so the potential bidder will know
4 that the statements that are being made with regard to your
5 footnotes are your comments and are not the Debtor's comments,
6 right? And you -- I'm willing to include that just because I
7 think that you have some serious concerns and people should
8 know them. So it would say something like Rembrandt believes
9 that with regard to these assets, that there are these issues
10 implicated on intellectual properties embedded in them and, you
11 know, this is going to spawn litigation or whatever. Yes?

12 MR. MICHAELS: I think the main issue here, I think
13 it's been handled by Whitehall and it was a jeweler who had
14 taken in property on -- jewels on consignment, embedded them in
15 rings and wanted to go to a bankruptcy sale where they just
16 sold it all off subject to the rights of the vendors who had
17 given them tools on consignment. And I think it was somewhere
18 in the neighborhood of 193 adversary proceedings would have
19 been necessary.

20 And the court said tough. You need to figure out
21 what the assets of the estate are and you need to have those
22 adversary proceedings by trying to go forward. And it is -- I
23 understand the Court's desire to move through a process, but
24 saying with an asterisk Rembrandt may or may not sue you for IP
25 infringement is the courts have determined that's not an

1 acceptable process. It is in and of itself subjecting the
2 estate to additional liability for making that transfer in the
3 first place which was not authorized --

4 THE COURT: Okay. Would you not want me to add your
5 comments to the schedule?

6 MR. MICHAELS: We would like -- we would certainly
7 like the ability to enter the comments, but we -- what we
8 believe is necessary in this situation is to ascertain what are
9 actually the assets of the estate, and what else is on the
10 record.

11 THE COURT: Okay. So let me tell you my skepticism
12 with that comment. With respect to the client, the guy that he
13 used to be. This -- the guy who was replaced by the Trustee.
14 He had a pretty good idea of what's in all of these entities,
15 because up until, you know, earlier this year, wasn't he in
16 control of all those assets? Okay. Well, regardless, this is
17 we're going to do.

18 You've got litigation issues with regard to the
19 license, and I'm going to look at that because you're going to
20 file a sale objection and it's going to lay out every single
21 objection you have to the sale and they are going to respond to
22 that and I am going to address all of those arguments, okay?
23 So this is what we're going to do. You guys, you can add
24 footnotes and all I care about your footnotes is that you put
25 in the preamble of whatever footnotes you want to add to the

1 schedule that these are comments made on your behalf, not on
2 the Debtor's behalf so that people who read it understand it.

3 MR. MICHAELS: We do have one request --

4 THE COURT: Yeah.

5 MR. MICHAELS: -- that we've been making for a while
6 now.

7 THE COURT: Yeah.

8 MR. MICHAELS: And that is that the Trustee specify
9 with particularity, whether he is relying on the Rembrandt
10 license or not.

11 THE COURT: What do you mean you're relying upon the
12 Rembrandt license?

13 MR. MICHAELS: If they are offering for sale assets
14 Rembrandt has alleged have -- are covered by patent inventions,
15 we have the right to bring suit against anybody who is offering
16 those for sale.

17 THE COURT: I don't think that Mr. Vagnoni thinks
18 that you have the right to sue them. Do you -- Mr. Vagnoni, do
19 you think that they have the right to sue you arising out of
20 the sale of the assets that --

21 MR. VAGNONI: Absolutely not.

22 THE COURT: See so they just disagree. That's just a
23 sale -- that's a sale argument that you can make in front of me
24 that I'll consider.

25 MR. MICHAELS: With respect, we provided the case law

1 that says we do not need leave of this Court. We can file in
2 any jurisdiction and SSG is not a part of this bankruptcy. I
3 mean, I appreciate they're professional, but they're actively
4 offering our patented technology for sale. That's an
5 infringement under 35 USC. And it's the only --

6 THE COURT: I disagree.

7 MR. MICHAELS: -- defense to that because --

8 THE COURT: So you're sitting here and you're making
9 an argument and they just disagree with the argument. And I'm
10 going to consider it. Don't include it in your brief because
11 it's a sale objection, right? You're going to say, Judge, you
12 don't have the authority to do this. No one should be selling
13 this, right. You're going to tell me that and I'm going to
14 look at your case law and your legal argument and I'm going to
15 look at theirs and then I will give you a decision on that.

16 MR. MICHAELS: I respect what you're saying about
17 with regard to the sale process.

18 THE COURT: Uh-huh.

19 MR. MICHAELS: My question is different than that, is
20 we -- Rembrandt has the ability to go after SSG today in a
21 different court for patent infringement unless the Trustee is
22 claiming that they are covered by a valid, current, paid up
23 license with Rembrandt. And I'm asking the Trustee to clarify.
24 Are they saying that they have -- that Stream has a valid paid
25 up license with Rembrandt?

1 THE COURT: Your response, Mr. Vagnoni?

2 MR. VAGNONI: It sounds like he's asking me to
3 testify under threat of suit of the Trustee's professionals.

4 THE COURT: Okay. Well, in any case, I would like to
5 have any footnotes that you want to add to the schedules by,
6 let's say Wednesday. So on Friday, if you could just put
7 together whatever footnotes that you want, just tell them,
8 like, do a black line, right? And then send them a black line
9 of the schedules.

10 But let's talk about the scheduling here, right? So
11 I know you're telling me, Hawk, that you have to have this, you
12 know, this all is done by the 10th. But I need to have, you
13 know, the schedules nailed down so that a potential bidder
14 would know exactly what they're buying. So we need to get that
15 done first. I can't -- we can't send this out for bidding
16 until that's done.

17 So once the schedules are done on Friday because
18 they're going to give you their comments by just say Friday
19 morning at 9 a.m., right? So you -- did you say tomorrow
20 you're going to get them? So what time tomorrow do we have the
21 schedule?

22 MR. VAGNONI: Yeah, by afternoon.

23 THE COURT: In the afternoon?

24 MR. VAGNONI: And look, if we can get them in today,
25 we're going to get them in today.

1 THE COURT: Okay.

2 MR. VAGNONI: But we would like to have a week until
3 tomorrow and we're going to do it as soon as we possibly can.

4 THE COURT: Okay. So then Friday by 5 p.m. I'd like
5 you to hand your black line of what the schedule looks like
6 back to them, okay. So that they can attach that to the
7 purchase agreement. Yes?

8 MR. SWICK: Well, we have 48 -- like Monday by 5:00?
9 Like I have to fly home tonight, so I don't know whether it
10 will be tomorrow, that's Thursday. So --

11 MR. VAGNONI: We're not going to be here until
12 tomorrow.

13 MR. SWICK: It might be quite voluminous. Like I'm
14 not sure what they're going to --

15 THE COURT: Okay. That's fine. You can have until
16 Monday, just to send out -- to add the footnote. So let's say
17 by Monday 9:00 a.m. you're going to get them your footnotes to
18 the schedules. Now, so on Monday, you guys are going to have
19 the schedules, right? And you already presumably have your
20 asset purchase agreement.

21 So let's just talk about the bidding procedure. Oh,
22 also the data room. They've got some serious concerns about
23 what's in the data room. So by the time that this goes live
24 and we send this out for people to bid on or show interest,
25 what's going on with the data room? And can you make sure you

1 populate it with actual, like, information? Who's -- when do
2 you -- okay. So when do you think -- come on up, Mr. Victor.
3 When will the data room actually be sold with things that are
4 clear about what's being sold?

5 MR. VICTOR: Good afternoon, Your Honor. Scott
6 Victor for SSG. The data room is full. The data room has been
7 accessed by one party; VSI, who is made up of all the insiders
8 of the Debtor.

9 THE COURT: Okay. Let's just focus on what's in the
10 data room. So is there--

11 MR. VICTOR: The data room is fully set up. And has
12 been for over a month.

13 THE COURT: Okay. Because they said there was
14 missing information in the data room. Is it possible that they
15 looked at the data room before it was 100 percent complete?

16 MR. VICTOR: They looked at it after it was 100
17 percent.

18 THE COURT: Okay.

19 MR. VICTOR: And they will complain about anything at
20 any time to stall the process. There's nothing wrong with the
21 data room.

22 THE COURT: Okay. So you think that there's -- so
23 everything in the data room is there that would be. So --

24 MR. VICTOR: Yes.

25 THE COURT: -- yeah.

1 MR. VICTOR: But, Your Honor.

2 THE COURT: Yeah.

3 MR. VICTOR: Not one single party has signed an NDA
4 other than an insider of the Debtors and has requested access
5 to the data room.

6 THE COURT: I understand. This is going to be a very
7 short period. I understand. Yeah. I'm aware of that. Okay.
8 It's your position is that the data room has everything --

9 MR. VICTOR: The data room is fully complete --

10 THE COURT: Okay.

11 MR. VICTOR: -- and needs nothing further. We
12 understand that it is appropriate to file schedules to the APA
13 like in every other case. That will be done tomorrow. We'll
14 have until Monday to black line it and add their asterisks.
15 But I have to put on the record that in my 41 years of
16 experience, I've never been threatened by counsel as many times
17 that we've been threatened by Rembrandt.

18 Who are they to sue SSG? My employees who are
19 working on this, we're not selling their intellectual property.
20 We're not infringing on their patent rights. We're selling the
21 equity of subsidiaries that may or may not have any
22 intellectual property that may or may not belong or rightfully
23 be licensed by Rembrandt. So I take complete offense to that.

24 THE COURT: Understood.

25 MR. THOMPSON: Your Honor, I just might say though

1 that the Trustee of course, has a responsibility to make sure
2 that everything that he is attempting to sell below the --

3 MR. VICTOR: Your Honor, the people --

4 MR. THOMPSON: Excuse me.

5 MR. VICTOR: -- and its subsidiaries --

6 THE COURT: Let him finish his statement, Mr. Victor.
7 Go ahead.

8 MR. THOMPSON: All of the assets that the Trustee is
9 purporting to sell, have full disclosure with regards to those
10 assets. And I think the point that Rembrandt has been making is
11 that disclosure has been incomplete to date. I understand that
12 Mr. Victor suggests that everything is in the data room and
13 therefore any reasonable bidder could make a determination as
14 to what exposure they may or may not have. We would argue that
15 is incorrect.

16 THE COURT: Okay. Thank you.

17 I understand, Mr. Victor.

18 MR. VICTOR: Thank you, Your Honor.

19 THE COURT: You're welcome. Okay.

20 So Mr. Vagnoni, let's just talk about some deadlines,
21 okay? So we have to pick a date for a sale hearing. We have
22 to pick a date for a sale objection deadline. And I'd also
23 like to get any replies by the Debtor to any objections.

24 MR. VAGNONI: Well --

25 THE COURT: All right. So we should also start with

1 like the bid deadline, okay. So you're saying that -- so the
2 big deadline right now you're suggesting is the 18th, but
3 that's in like five days and we don't even have the schedules.
4 We don't have them. So I don't think we need a long time
5 because I think that we could all agree that given everything
6 I've heard today, I highly doubt anyone is going to be placing
7 a bid, but you know, we should still put it out there for at
8 least a couple weeks to see if you're going to generate any
9 bids, okay.

10 So let's look at the calendar here. All right. So
11 presumably you'll have the final form of the schedule on the
12 18th. So I think that we could get -- we can have a bid
13 deadline be December 2nd. December 2nd. And then that means
14 -- well, I'm sorry. Yeah. December 2nd and then we could have
15 an auction on the 3rd. You guys are going to do that in your
16 offices, right?

17 MR. GEORGE: If one is required.

18 THE COURT: If one is required. All right. And so
19 then after that, we just need to -- we need to decide when
20 we're going to have the sale hearing.

21 MR. VAGNONI: Your Honor.

22 THE COURT: Yes?

23 MR. VAGNONI: We have a sale closing deadline of
24 December 10th. We're going to -- this is extremely tight with
25 those --

1 THE COURT: I'm going to give you -- I mean, let me
2 just look at the schedule here. Okay. So the 10th is a
3 Tuesday. All right. Okay. So I think what we should do is we
4 should have the sale hearing on -- I think we should have it on
5 the 10th of December. Okay. And I'll give you a ruling on the
6 10th because we're going to back into that all the objections
7 for when people are going to file objections to the sale.

8 MR. VAGNONI: Okay. Your Honor, that's going to put
9 us out of the agreement we have with Hawk.

10 THE COURT: Okay. So Hawk, I'm looking at my
11 schedule and I'm trying to give you a hearing as soon as I can,
12 and I'm -- you know, they're the ones who gave you the deadline
13 of December 10th, is that right?

14 MR. VAGNONI: It was -- yeah, Hawk and SeeCubic.
15 Yeah.

16 THE COURT: Yeah. Okay. So I'm trying to work with
17 you guys here, but I'm not going to be able to have a hearing
18 in the first week of December because I think we have a lot
19 going on then. I mean, I guess we could try to have it on the
20 4th.

21 (Court and clerk confer)

22 THE COURT: So I think what we should do then let's
23 have a sale hearing on the 4th of December at 1:00 p.m. And
24 we'll make a sale objection deadline next Friday the 22nd, and
25 any responses to the objection should be filed by the 29th.

1 The deadline again is the 2nd, the auction is the 3rd. We'll
2 have the hearing on the 4th.

3 MR. THOMPSON: Well, Your Honor.

4 THE COURT: Yeah.

5 MR. THOMPSON: Your Honor, I would only make two
6 observations, right? One, first that it's pretty clear that
7 Rome is not burning. Notwithstanding protestations to the
8 contrary. And we once again see the accommodation of the Hawk
9 parties even with regards to scheduling on something that was
10 completely within their control in terms of providing -- the
11 Trustee providing this list of assets well before now.

12 And frankly having other potential bidders have
13 access to this information in the data room. It is
14 regrettable, although not too terribly unforeseeable that
15 nobody else was interested, given the information that they
16 would have and the concerns that any probable bidder would have
17 given what they know and what the risks probably are.

18 But beyond that, I just want the record to reflect
19 that there seems to be some suggestion that all VSI has done
20 throughout this process has been an obstructor. We have tried
21 multiple times to provide alternative financing, in the way of
22 DIP financing to proposals. And I am aware of Rembrandt having
23 made a proposal before that.

24 Mr. Vagnoni, during our hearing suggested that none
25 of those things were acceptable. All of them -- I will

1 contend, Your Honor, all of them, each and every one was better
2 than the outcome that this trustee has decided is the only
3 track he can go down.

4 THE COURT: I have one question. Where is Phillips
5 in all this litigation?

6 MR. GEORGE: Ready to cancel the --

7 THE COURT: Excuse me?

8 MR. GEORGE: Probably about ready to cancel the
9 license.

10 MR. VAGNONI: Probably. Your Honor --

11 THE COURT: Where are they? Like I haven't seen
12 them. Like you're jumping up and down, but where's Phillips?

13 MR. GEORGE: I spoken to Alex Damvelt if you'd like
14 to hear about that. And I've spoken to Phillips as well.

15 MR. VAGNONI: Your Honor, he's testified -- he's
16 testified enough. Your Honor, the proposals that we received
17 -- and I don't want to prolong this anymore. I know Your Honor
18 has made a ruling on dates. The proposals that the Trustee has
19 received so far are from the same individual who found it has
20 grossly mismanaged the Debtor's --

21 THE COURT: Mr. Vagnoni, I'm giving you everything
22 you want.

23 MR. VAGNONI: I agree.

24 THE COURT: I'm moving forward with the bid
25 procedure, and --

1 MR. VAGNONI: And I acknowledge that.

2 THE COURT: Okay.

3 MR. VAGNONI: And I thank you. But to sit here and
4 listen to --

5 THE COURT: There's zealous advocates --

6 MR. THOMPSON: I'm going to object to this line --

7 THE COURT: -- being paid to be --

8 MR. THOMPSON: -- to this line of -- I'm going to
9 object.

10 THE COURT: Everybody. So Mr. Vagnoni, I don't need
11 to hear anything more from anybody.

12 MR. VAGNONI: Thank you, Your Honor.

13 THE COURT: Okay. So I'll hear from all of you.
14 Just make sure you put in those briefs. My law clerk is
15 waiting with baited breath to see all of your sale objections
16 because he's got to do a lot of research. So next Friday,
17 okay. We'll be taking a close look at all of that. So please
18 include all of your arguments then. Okay, everybody. I will --

19 MR. THOMPSON: Thank you, Your Honor.

20 MR. VAGNONI: Thank you, Your Honor.

21 THE COURT: All right. Thank you. I have a 12:30
22 hearing. Don't need to stand for me. Okay.

23 (Proceedings adjourned at 12:47 p.m.)

24

25

C E R T I F I C A T E

I hereby certify that the foregoing is a true and correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

John Buckley

John Buckley, CET-623
Digital Court Proofreader

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PENNSYLVANIA

IN RE: : Case No. 23-10763-amc
: :
STREAM TV NETWORKS, INC. CH: 11 :
AND NETWORKS, INC. AND : Philadelphia, Pennsylvania
TECHNOVATIVE MEDIA, INC. : December 4, 2024
: 12:53 p.m.
: :
: :

BEFORE THE HONORABLE ASHELY M. CHAN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For the Chapter 11 Trustee: Michael D. Vagnoni, Esq.
Edmond M. George, Esq.
Obermayer Rebmann Maxwell &
Hippel LLP
Centre Square West
1500 Market Street, Suite 3400
Philadelphia, PA 19102
215-665-3066

Steven M. Coren, Esq.
Kaufman Coren & Ress, P.C.
Two Commerce Square
Suite 3900
2001 Market Street
Philadelphia, PA 19103-2713
215-735-8700

For Visual Semiconductor,
Inc.: John H. Thompson. Esq.
Akerman
750 Ninth Street, N.W.
Washington, D.C. 20001
202-824-1760

R. Adam Swick, Esq.
Akerman
500 West 5th Street, Suite 1210
Austin, TX 8701
737-999-7103

For Rembrandt:

Andrew Peter Demarco
Devlin Law Firm, LLC
1526 Gilpin Avenue
Wilmington, DE 19806
302-449-9010

For Leia Inc.:

Keri P. Ebeck
Michael Watters
Bernstein & Berkley, Attorneys
at Law
601 Grant Street, 9th Floor
Pittsburgh, PA 15219
412-456-8100

SeeCubic, Inc.:

Marley Brumme, Esq.
Skadden Arps Slate Meagher &
Flom, LLP
500 Boylston Street, 23rd Floor
Boston, MA 021116
617-573-4800

Also Appearing:

Rediah Braham

Proceedings recorded by electronic sound recording;
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1 DECEMBER 4, 2024

12:53 P.M.

2 THE COURT: The 1:00 matter is the matter of Stream
3 TV Networks. It is a motion to approve a sale.

4 I know we have several parties in the courtroom. We
5 will take their appearances first, and then we will go to the
6 people on the phone.

7 MR. GEORGE: Good morning, Your Honor. Ed, Edmond
8 George.

9 THE COURT: It is afternoon. I always say --

10 MR. GEORGE: Good afternoon, Your Honor.

11 Edmond George and Michael Vagnoni from the Obermayer
12 firm on behalf of William Homony, the Chapter 11 Trustee.

13 MR. COREN: Good afternoon, Your Honor.

14 Steve Coren, Special Counsel for the Trustee.

15 THE COURT: Okay.

16 MR. THOMPSON: Good afternoon, Your Honor. John
17 Thompson, as well as my colleague, Adam Swick, from Akerman.
18 On behalf, excuse me, on behalf of VSI.

19 MR. DEMARCO: Good morning, Your Honor.

20 Andrew DeMarco from the Devlin Law Firm, here on
21 behalf of Rembrandt, with my co-counsel, Chris Michaels, also
22 from Rembrandt.

23 THE COURT: Sir, do you want to put your name of the
24 record? Come on up to the podium.

25 MR. BRAHAM: My name is Rediah Braham (phonetic).

1 I'm a creditor from Stream TV.

2 THE COURT: Okay.

3 MR. BRAHAM: They owe me a lot of money.

4 THE COURT: Okay.

5 MR. BRAHAM: I'm a very poor guy. I cannot afford to
6 get --

7 THE COURT: Oh.

8 MR. BRAHAM: -- a lawyer or anybody.

9 THE COURT: Okay.

10 MR. BRAHAM: But right now, Mathu is offering us 90
11 cents to a dollar. I am very humbly requesting to kindly give
12 the company back to Mathu and let him pay everybody so we can
13 survive.

14 THE COURT: Okay.

15 MR. BRAHAM: I just wanted to say that.

16 THE COURT: No problem.

17 MR. BRAHAM: Thank you.

18 THE COURT: Thanks for letting us know.

19 MR. BRAHAM: Thank you.

20 THE COURT: Okay. All right. So I thought perhaps
21 you would -- did you want to say something? Pam is giving me a
22 look.

23 Yeah, go ahead. What is your thought?

24 THE CLERK: There might be people on the phone.

25 THE COURT: Oh, I forgot. I am sorry. Yeah, people

1 on the phone.

2 Would you please put your appearance on?

3 MS. EBECK: Good afternoon, Your Honor. Keri Ebeck
4 on behalf of Leia Inc. I also have my co-counsel Michael
5 Watters on the phone. If any -- we are basically here to
6 listen, but if anything comes up, Mr. Watters will be handling.

7 THE COURT: All right. Thanks, Ms. Ebeck.

8 Anyone else on the phone?

9 Good. Okay. That was easy.

10 All right. Mr. George, I thought perhaps you could
11 do a proffer. Would you want to do a proffer?

12 MR. GEORGE: I will, Your Honor. DO you want to --

13 THE COURT: Unless you guys --

14 All right. Well, you do the proffering, and we will
15 see what they say.

16 MR. GEORGE: Okay.

17 THE COURT: Okay.

18 MR. GEORGE: Your Honor, I will deal with the other
19 exhibits and things after I am done with the proffer.

20 We have two witnesses today, Mr. Homony who is the
21 Chapter 11 Trustee, and Mr. Victor. They have both filed
22 declarations in this case which we have marked in our Exhibit
23 Book as 1 and 2. We have asked that those be moved into the
24 record.

25 If called to the stand, Mr. Homony would testify

1 consistent with his declaration;

2 That he was retained as a Chapter 11 Trustee in this
3 case after the management was removed pursuant to a motion to
4 appoint a Chapter 11 Trustee;

5 That he retained SSG Capital advisors to conduct the
6 sale process for the assets;

7 That he has experience as a trustee in this vicinage;

8 That he had robust and good-faith negotiations with
9 Hawke and SLS that resulted in the Hawe settlement;

10 That he approved putting the Debtor's assets up for
11 sale;

12 He approved the stalking horse bid and designated the
13 stalking horse bidder as the successful or winning bidder,
14 there having been no parties expressing any interest in the
15 purchase of the assets, even following the subsequent and
16 additional teaser information that Your Honor directed at the
17 hearing on the bidding protections;

18 That his decision to sell was grounded in business
19 judgment based on the fact that when he took over the case,
20 there was no money in the case. The Estates were
21 administratively insolvent. The Estates have been in a
22 protracted fight with the secured creditors for a number of
23 years. There had been three previous bankruptcies, two of
24 which were dismissed on the basis of bad faith;

25 That the Bankruptcy Court provided a very limited

1 extension of time within which the Trustee could find a
2 purchaser for the property, or for the assets;

3 That he applied to the Bankruptcy Court for an
4 extension of the automatic stay, and was given until July 15th
5 to effectuate the transfer or the settlement, with a July 15th
6 scheduled hearing date in the Delaware 225 action;

7 The Trustee made a decision that selling the assets
8 pursuant to the sharing and settlement agreement with Hawk was
9 in the best interest of the creditors;

10 That at the time, there was a lawsuit that gave the
11 secured creditors relief to go back to Delaware to redo the
12 Board of the Debtor's;

13 That there were no business activities, no workers,
14 no factory, no raw materials, no finished goods, no WIP, a
15 bonding machine that was palleted and located in China, and no
16 accounts receivable, as well as \$3 million in purported
17 administrative expenses in favor of the Lewis Brisbois firm.

18 Accordingly, the Trustee, based on those factors,
19 made a decision to sell the assets of the property.

20 The Trustee did meet with and tried to work with Mr.
21 Rajan and VSI to entertain legitimate proposals from VSI to buy
22 or restructure the operations of the Debtor. Neither VSI or
23 Mr. Rajan ever demonstrated a viable proposal that was
24 supported by a commitment of a financial nature that would
25 allow the Trustee to make a decision to make an arrangement

1 with Mr. Rajan or VSI.

2 That he requested VSI fund a DIP in order to fund
3 litigation in the case, which VSI failed to do, and the Trustee
4 eventually settled with Hawk.

5 And even after the Hawk settlement, the Trustee
6 continued to discuss potential acquisitions with the VSI
7 parties, so much so that he held off on filing the procedures
8 motion for about ten days while he continued to communicate
9 with the Hawk parties, or I mean the VSI parties, but within
10 that time, there was no proposal that was made;

11 That the Trustee authorized the sale motion and
12 procedures motions, that he reviewed the results of SSG's
13 efforts and believes that a robust and full marketing of the
14 assets have occurred.

15 He has reviewed the results of the sale process, and
16 having received no bids, has concluded in the exercise of
17 business judgment, that the stalking horse bid is the highest,
18 best, and only bid for the assets of the Estate. And that was
19 all Mr. Homony would testify.

20 THE COURT: Okay. All right. Did you gentlemen want
21 to respond to the proffer that was made?

22 MR. THOMPSON: Well, Your Honor, on behalf of VSI, I
23 would object to the timing and sufficiency of the testimony
24 that has been put in by proffer. But we will, of course, get
25 an opportunity to cross-examine both witnesses.

1 I think there is a preliminary matter though, Your
2 Honor, that I think we need to take up based upon these
3 proffers and the declarations that were filed yesterday for
4 something that was filed this morning, which was an amended
5 order, form of order, for this sale.

6 Your Honor, I guess, let me take the podium, because
7 it is going to be a minute.

8 THE COURT: Okay.

9 MR. THOMPSON: Your Honor, I have been doing this a
10 while. And to say that this is one of the more exceptional
11 last-minute orders I have seen would be putting it graciously.

12 This sale order demonstrably changes the terms of the
13 agreement, and ultimately, the sale, that this Trustee purports
14 to want to do with this stalking horse. It bears very little
15 resemblance to what this Court approved in the 9019 sale or
16 9019 settlement agreement providing for a sale.

17 It includes unconstitutional releases, injunctions,
18 gatekeeper provisions, a whole ration of relief. And it is all
19 being granted, I guess, at the 11th hour by the Trustee and
20 asking this Court to bless it, because this stalking horse
21 bidder will not go forward on the agreement that they struck in
22 May and ultimately had approved in June. They have been
23 telling us for months and months as we tried to propose
24 alternatives and ask this Court to reconsider that 9019
25 settlement agreement.

1 It is not -- there is nothing we can do about it. It
2 is too -- it is binding. So if it is binding, it is also
3 binding upon the Hawk parties. This stalking horse bidder came
4 to this process saying that they would abide by the agreement
5 that was struck in June and that this Court approved. They are
6 not doing that.

7 This Trustee is now saying that because they might
8 back out and they will not agree without the Court blessing
9 this additional relief. It is quite a red line. Unless they
10 do that, excuse me --

11 THE COURT: Let's listen to Mr. George.

12 MR. THOMPSON: Unless they do that, this sale isn't
13 going through, at least that is what we read. And I don't
14 think it is very complicated, Your Honor.

15 THE COURT: Let's just drill down to the specifics.
16 The one provision of the revised sale order that I had a
17 question about was that all along, it was my understanding that
18 Hawk was taking the position that if I agreed to the sale, that
19 whatever litigation you may face by VSI and Rembrandt, you were
20 going to face.

21 But when I read the paragraphs 13, 14, and 15 of the
22 sale order, it sort of purports now to making me a gatekeeper
23 to any kind of litigation. That was my understanding of that,
24 of those provisions. And the concern I had about those
25 provisions are that I don't care to be that gatekeeper. If I

1 do authorize the sale, then whatever litigation they may want
2 to bring, they are going to bring.

3 MR. GEORGE: Well, Your Honor, first of all, let me
4 just say two things. I think Mr. Thompson is a little over his
5 skis what he says that --

6 THE COURT: All right. Well, let's just assume
7 everyone is emotional. I know, I mean, you guys are all going
8 to count, you know --

9 MR. GEORGE: But that is just -- yeah. But to say --

10 THE COURT: -- paint the other person as, you know.

11 MR. GEORGE: Understood. But to say that there is
12 any indication that Hawk isn't going to close, it is just wrong
13 and improper.

14 THE COURT: Well, but what they are saying is that --

15 MR. GEORGE: It's a form of --

16 THE COURT: -- what they are saying is that it is --
17 let's do this. Let's not respond, and preferably, let's not
18 state things emotively. All right? So let's just take away
19 what he was saying. He was saying that there are provisions in
20 there that are either unconstitutional, that there is a lot of
21 changes. And I would have to agree with him, Mr. George, there
22 are a lot of changes. We had to review these changes today.

23 MR. GEORGE: Understood, Judge.

24 THE COURT: But specifically, the point that I just
25 raised is something that is near and dear to their heart, that

1 they have been hopping mad since the beginning of time about
2 what you guys want to do here with regard to their licensing
3 rights. And they do seem to want to sue someone.

4 So I am not going to be the gatekeeper of that
5 litigation. I am not going to decide if something is
6 meritorious. So at this point, I am not really interested in
7 making those revisions to the sale or that you suggested.

8 So you could respond to that point.

9 MR. GEORGE: No, that is fair enough, Your Honor.
10 Because I think the Trustee's intention, and I think we have
11 said all along is that we are selling interests in these
12 downstream entities. And if the parties on that side of the
13 table feel like they have claims, nothing we are doing is going
14 to change that because we don't own those downstream assets.

15 THE COURT: Okay. So reconcile what these new
16 paragraphs say though.

17 MR. GEORGE: Well --

18 THE COURT: These new paragraphs now say that I'm
19 supposed to be a gatekeeper.

20 MR. GEORGE: -- sure. I can work on this with the
21 counsel to Hawk, and maybe we can address that.

22 THE COURT: Okay.

23 MR. COREN: Thank you, Your Honor. Yes. We just
24 confirmed, their -- the litigation and the claims of SeeCubic
25 or of Rembrandt that are going on in the District of Delaware

1 right now, and any claim that intellectual property litigation
2 is going to move forward against the Debtors an assumed
3 liability under the asset purchase agreement, as is made clear
4 in the order. That is not subject to the gatekeeper provision.
5 That is going to go forward and that litigation is going to be
6 able to move forward. And if that needs to be made more clear
7 here, we absolutely will.

8 THE COURT: Okay. I just want to clarify that VSI
9 and Rembrandt are going to have the right to pursue all of
10 their arguments with regards to the infringements. Okay?

11 MR. MICHAELS: That is absolutely, correct, Your
12 Honor.

13 THE COURT: And right now, I don't feel like that
14 language is clear.

15 MR. GEORGE: Your Honor?

16 THE COURT: Yeah?

17 MR. MICHAELS: With respect --

18 MR. GEORGE: Before Mr. Michaels starts --

19 THE COURT: Uh-huh.

20 MR. GEORGE: -- is he a witness or a lawyer? Because
21 the last time he sat at that table and he testified. I know
22 you said don't be emotive.

23 MR. MICHAELS: I am a lawyer.

24 MR. GEORGE: I am doing everything I could do. Mr.
25 Coren left a dent in my knee from kicking me because I sat

1 while Mr. Michaels testified and advocated at the same time.

2 So I would like that clarification. Why is he here, is he a
3 witness? If he is, he can't make presentations.

4 THE COURT: I thought he was a lawyer.

5 Are you a lawyer, sir?

6 MR. MICHAELS: Yeah, I am serving as an attorney for
7 Rembrandt 3D.

8 THE COURT: Okay. He is serving as an attorney, so
9 he is making argument.

10 MR. GEORGE: Fair enough.

11 THE COURT: Okay.

12 MR. MICHAELS: Your Honor, I would like to read, not
13 -- no -- you said, let's get to what the facts are rather than
14 emotive response. Well, the language they added to Section EE
15 in the proposed order states the Buyer asserts that it will --

16 THE COURT: Yeah, I read that.

17 MR. MICHAELS: -- not consummate the transaction.

18 THE COURT: Okay. So they are going to take
19 responsibility for assumed liabilities, at the assumed
20 liabilities are your litigation. We looked at the defined term
21 of assumed liabilities, and that is part of it.

22 Let's just all agree to the concept. I am telling
23 you right now that I am not approving any sale order unless
24 they preserve their rights to go after Hawk in connect

25 MR. MICHAELS: Understood, Judge.

1 THE COURT: Okay. Hawk, would you like to say
2 something?

3 MR. CAPONI: Yes, Your Honor. Just to be clear, Hawk
4 is not the purchaser or the stalking horse. Hawk is the
5 collateral agent SeeCubic, so --

6 THE COURT: Okay. When I say Hawk --

7 MR. CAPONI: -- if we are going after somebody --

8 THE COURT: -- it's like the umbrella.

9 MR. CAPONI: -- like, let's try to drop Hawk if we
10 don't --

11 THE COURT: Sure.

12 -- we can be a little clearer about that, that is
13 all.

14 THE COURT: Yeah, whoever the Buyer is, they are --

15 MR. CAPONI: We are going to buy it.

16 THE COURT: -- going to face all of this litigation.

17 MR. CAPONI: That is correct, Judge.

18 THE COURT: Okay.

19 MR. THOMPSON: So Your Honor, to be clear, and we can
20 submit testimony and we are here with witness of our own, the
21 action that initiates the right to sue, the transfer, is the
22 closing. Right? Stream has a license from Rembrandt and it is
23 perfectly valid. They have not committed any IP infringement.
24 I asked them to clarify, is Scott Victor running around
25 providing offering for sale assets of the company covered by

1 our license. Right? We believe they are.

2 Rembrandt's position is actually, we don't have the
3 right to sue Stream and its executives because they have a
4 valid license to our technology. What they don't have the right
5 to do is to transfer our trade secrets to another party --

6 THE COURT: I understand.

7 MR. THOMPSON: -- and effectively, what they are
8 doing.

9 THE COURT: I understand.

10 MR. MICHAELS: And so what I am saying is the day of
11 the closing, SCBV, Stream, all of its officers, are violating
12 1830 -- U.S.C. 1832, right? Not the day before, not the
13 minute. That is the transaction that does it. And those that
14 are receiving it are likewise violating that statute. And SCBV
15 is implicated, Stream, all of the executives involved.

16 And this is purporting, the reason I started reading
17 this clause is I think it is the most important thing that they
18 have submitted. The Buyer is unwilling to proceed. There was
19 an asset purchase agreement that was submitted for everybody
20 to, you know, to get approved, and there was a 9019 settlement.
21 And they are not willing to proceed, that is what they have
22 said. Unless we get these unique protections that you are just
23 providing five minutes before I got in my car to drive to this
24 hearing today, they are not going to proceed.

25 So they have told us everything we need to know.

1 This sale isn't happening. I would move, at the beginning of
2 this, to say this sale is no longer before this Court, the
3 Buyer won't go.

4 THE COURT: I just clarified that if the sale does go
5 through, you will be able to sue the Buyer.

6 MR. MICHAELS: With respect, Your Honor. That is an
7 issue I certainly care deeply about. The issue I am bringing
8 before, the nuance of what I am stating today is that there was
9 a motion to approve the (audio interference) purchase and the
10 sale. And the Buyer has told the Trustee they are unwilling to
11 proceed unless the deal that they sought approval for changes,
12 right? They are calling off the sale.

13 My request is that the motion be denied and they come
14 back again when they have worked out what their asset purchase
15 agreement is going to be and we have a time to actually respond
16 to the asset purchase agreement being asked for approval for
17 this Court.

18 THE COURT: I am confused by how you are
19 characterizing this. They did make a lot of changes. But the
20 assumed liabilities definition includes the litigation you guys
21 have, so the Buyer is agreeing to still be on the hook for
22 that. So what changes are they asking for that makes this sale
23 not able to go forward?

24 MR. MICHAELS: They have -- I mean, I am looking
25 right at Section EE, and it says, specifically, unless the

1 asset purchase agreement specifically provides, and this Court
2 specifically orders, that the Buyer, its properties, its
3 successors and assigned and their respective property and the
4 assets will not have any liability whatsoever with respect to
5 require to satisfy in a manner whether in law and equity,
6 whether by payment, setoff or otherwise, directly or
7 indirectly, any claim or lien or any successor or transfer
8 liability, excuse me, ability for either of the Debtors, other
9 than the assumed liabilities.

10 THE COURT: Other than the assumed liabilities. So
11 they are in the assumed liabilities.

12 MR. MICHAELS: I understand Rembrandt is in the
13 assumed liabilities. That, and I do appreciate that your
14 statements with regard to Rembrandt's claims. But Your Honor --

15 THE COURT: The Debtor can't get sued anymore, right?

16 MR. MICHAELS: -- what I am raising --

17 THE COURT: Uh-huh.

18 MR. MICHAELS: -- is that this is not the asset
19 purchase agreement that they moved for approval. They have
20 radically changed it.

21 THE COURT: In what way have they radically changed
22 it?

23 MR. MICHAELS: Well, I am looking at a redline
24 agreement which I have had five minutes to read. So I would
25 ask for a continuance for the opportunity to answer that

1 question fulsome.

2 THE COURT: Summarize for me, give me, like, the
3 biggest ticket item --

4 MR. MICHAELS: The point is, Your Honor, five minutes
5 was insufficient time for me to review all of the changes.

6 THE COURT: You said the purchase agreement has
7 changed. I agree that there were revisions, but I had time to
8 look at the blackline. I had concerns, and I just raised my
9 concerns with them to clarify that your litigation will go
10 forward. But other than that, can you even point to something
11 that is --

12 MR. MICHAELS: Your Honor, I can, right?

13 THE COURT: Yeah?

14 MR. MICHAELS: Your Honor pointed to the gatekeeper
15 provision.

16 THE COURT: Right.

17 MR. MICHAELS: I will point to the injunction.

18 THE COURT: And I am striking that. There is -- you
19 are going to be able to go after the Buyer.

20 MR. MICHAELS: And the injunction, the injunctive
21 relief that they have got in -- that they are suggesting in 14?

22 THE COURT: The injunctive relief --

23 MR. MICHAELS: -- right? They are looking for
24 injunctive relief for these stalking horse bidders as protected
25 parties under this revised agreement, which basically --

1 THE COURT: All right. Let me just make this clear.

2 MR. MICHAELS: Okay.

3 THE COURT: You guys, Rembrandt and VSI, you can go
4 crazy with whatever litigation you want against the Buyer.
5 Period. End of story.

6 I will make sure that if I do enter the sale order
7 you have got those rights. Okay?

8 MR. MICHAELS: Your Honor, the problem is, they are,
9 the stalking horse bidder, through the Trustee, is now making
10 this as Mr. Michaels clearly pointed out in their own language,
11 the contingency for their participation in this sale.

12 THE COURT: But they have asked for things in the
13 blackline proposed sale order that I am not going to give them.
14 It seemed to me that were asking me to be a gatekeeper for your
15 litigation against them. I am not going to do that.

16 So what other changes are there to the proposed sale
17 order that you think is so dramatic?

18 MR. MICHAELS: Well, I think it is exceptional that
19 they are actually suggesting that they are not prepared unless
20 they get it. Which means, if Your Honor is not going to give
21 it, they are not prepared to close.

22 THE COURT: Okay. Well, I just told them that I am
23 not going to give it to them, and they said okay.

24 MR. MICHAELS: So I think what we need is a
25 representation from the stalking horse bidder today and now

1 that they will close, notwithstanding the fact that Your Honor
2 will not provide that relief.

3 THE COURT: Go ahead, Ms. Brumme.

4 MS. BRUMME: Good afternoon, Your Honor.

5 Marley Brumme from Skadden Arps for the Buyer, the
6 stalking horse bidder, SeeCubic Inc.

7 I am not sure where Counsel has gotten the idea that
8 we are backing out of this as a purchase agreement or the sale
9 in any way, shape, or form. And I am certainly not sure where
10 they have gotten the idea that there has been discussions of
11 that that they haven't been a part of between our client and
12 the Trustee.

13 But to be clear, yes, my client is prepared to move
14 forward with the sale, fully understanding that the Counsel on
15 this side of the table over here is going to probably, as you
16 said, sue us every which way to Sunday --

17 THE COURT: Uh-huh.

18 MS. BRUMME: -- on violations --

19 THE COURT: Yep.

20 MS. BRUMME: -- so.

21 THE COURT: Thank you. All right. Now let's do
22 this. So we have two witnesses for today. Who do you -- do
23 you need to cross-examine both of them?

24 MR. THOMPSON: Yes. And --

25 THE COURT: All right. And let's just be absolutely

1 crystal clear about what kind of cross-examination questions I
2 am going to permit today. I am not going to permit any cross-
3 examination questions about issues that I have already
4 resolved. I don't want to hear them. We have already heard
5 all of them. So the extent that you are questioning the 9019
6 order and the fact that Hawk has been approved as, you know,
7 the person under that 9019 order. And that they have --
8 whether they have acted in good faith in this case or not, I
9 don't want to hear any questions. I have already heard all of
10 them.

11 I just want to hear questions about whatever they
12 have said in the affidavits that they just recently filed that
13 have to do with my sale today. Those are the only questions
14 that I feel like entertaining today. Okay?

15 All right. So do you want to bring up the Trustee
16 first?

17 MR. GEORGE: Mr. Homony.

18 THE COURT: Yeah. Yep, that is fine.

19 You can go ahead and start.

20 (Trustee sworn)

21 THE CLERK: Can you please state your name and spell
22 your last name for the record?

23 MR. HOMONY: William A. Homony, H-O-M-O-N-Y.

24 THE CLERK: Okay. Thank you.

25 MR. HOMONY: Sure. 1730 Maple Avenue, Hatfield,

1 Pennsylvania, 19440.

2 (Audio interference)

3 MR. GEORGE: -- 1 through 6.

4 MR. THOMPSON: Thank you. John Thompson on behalf of
5 VSI.

6 DIRECT EXAMINATION

7 BY MR. THOMPSON:

8 Q Good afternoon, Mr. Homony.

9 A Good afternoon.

10 Q Mr. Homony, how long have you been a Chapter 11 Trustee?

11 A Well, this is my first engagement as a Chapter 11 Trustee,
12 and it began in January of 2024.

13 Q Okay. Mr. Homony, do you remember a meeting or a set of
14 communications that you had with the VSI constituents'
15 principals?

16 A I've had many, so.

17 Q Do you remember having them shortly after your appointment
18 in January?

19 A Sure.

20 Q Did you ask those principals for assistance in
21 understanding the Stream TV case?

22 A Yes.

23 Q Did you exchange email with them?

24 A Sure, yes.

25 Q Did you give them directions?

1 A Did I give them direction?

2 Q Did you give them directions?

3 A I think I asked for documents in support for positions
4 that they wanted me to advocate.

5 Q Okay. Did you ever do an inventory of the assets of
6 Stream TV?

7 A Well, that was one of the issues in the case that is not
8 typical in a Chapter 11 Trustee case. There were no operations
9 and it was unclear at the time, and remains unclear, exactly
10 which entities of Mr. Rajan's have possession of tangible
11 assets, records, et cetera. So I don't believe Stream TV has
12 certainly any significant tangible assets. And if they do, I
13 have not been aware -- made aware of them or know their
14 location or who is in control of them.

15 Q That was a long example, Mr. Homony. So I am going to
16 break it down. I asked you the question did you do an
17 inventory of Stream's assets; yes or no?

18 A I would say generally, yes.

19 Q You did?

20 A Yes.

21 Q How did you do that inventory?

22 A Through reading through various materials, the case
23 filings, the various adversary matters, the history of the
24 case, the filings in the Chapter 11 case up through my
25 appointment, and other records I obtained from either Stream or

1 VSI personnel.

2 Q Did you talk to other parties?

3 A Yes.

4 Q Who were those parties?

5 A Those parties were, again, Mr. Rajan, Nicole Maneen, the
6 employees of SeeCubic, B.V. in the Netherlands. I certainly
7 spoke to Mr. Stastney over time, his counsel, Hawk's counsel,
8 all of the relevant parties and interests that you would think
9 a Chapter 11 Trustee would talk to in this situation.

10 Q And did you accumulate an asset list from all of those
11 communications in that investigation?

12 A Again, I think the assets that I identified through my
13 investigation are included in the APA, both those that are
14 being purchased as well as the excluded assets.

15 Q All of the assets are identified in the APA?

16 A I believe, generally, the assets of Stream are identified
17 in the APA, yes.

18 Q And those assets are assets that are being transferred
19 under this sale, correct?

20 A Stream is identifying a, certainly, a set of assets to the
21 Buyer, yes.

22 Q If you were to look at the APA, which is on the docket --

23 A Uh-huh.

24 Q -- and certainly, we can have you take a look at it, but
25 it describes all of the assets that Stream TV holds or may

1 hold, correct?

2 A Yes, except for the specifically identified excluded
3 assets, yes.

4 Q Okay. That includes, among other things, physical
5 property, intellectual property, yes?

6 A I would suggest that they are -- I don't believe I am
7 transferring any tangible property of Stream, and I don't
8 believe I am transferring any intellectual property that is
9 owned by Stream.

10 Q You don't believe that you are actually transferring any
11 intellectual property owned by Stream?

12 A No.

13 Q You are doing this as an as is where is sale, right?

14 A That's correct.

15 Q What does that mean, Mr. Homony?

16 A That means, buyer beware. The Buyer gets the assets in
17 any condition, in any form, no reps or warranties. They can't
18 come back. There is no recourse to the Estate.

19 Q Wherever they are, right?

20 A Correct.

21 Q Does the location, possession, or circumstance, right,
22 change who owns that property?

23 A Can you repeat that? I am sorry.

24 Q Does the location, you said as is and where is, right?

25 A Uh-huh.

1 Q Does the location or the condition change who owns the
2 property?

3 A No.

4 Q It is the Debtor's, it is part of the Debtor's Estate,
5 right?

6 A Well, certain assets are a part of the Debtor's Estate.

7 Q So for instance, the bonding machine that is in Asia is a
8 Debtor asset, right?

9 A Well, as I have testified before, there is certainly a
10 cloud over the title in the way in which it was -- the way it
11 was explained to me as being addressed when a Receiver was
12 appointed over Technovative before this bankruptcy case was
13 initiated. I do believe it is listed as an asset of Stream on
14 Stream's Schedules. So the extent it is owned by the Debtor,
15 and I misspoke previously, this is the only tangible piece of
16 equipment that the Debtor's Estate may own. However, it may be
17 titled already in the Netherlands under the SCBV. Either way,
18 in this proposed sale, it is being conveyed to the Buyer.

19 Q But the only document that you have ever seen is a receipt
20 that tells you that Stream TV is the owner of that; is that
21 correct?

22 MR. GEORGE: Objection to form, Your Honor.

23 MR. THOMPSON: Excuse me, I will rephrase.

24 BY MR. THOMPSON:

25 Q Is the owner of the bonding machine located in Asia is

1 Stream TV?

2 A I am not sure I have ever seen a bill of sale or anything
3 like that. I think it was manufactured over time, many, many
4 years ago. And my understanding is it has been in China for
5 over a decade. So I don't know that I have seen a specific
6 document that you just referenced.

7 Q You suggested that somebody had told you that there might
8 be cloud over that title to the bonding machine; is that right?

9 A That is correct.

10 Q Who told you that?

11 A I think -- I think I've read it many things, and I believe
12 that SCBV personnel have referenced the fact that, I believe,
13 the Receiver may have put it in SCB's name in order to pay for
14 the storage, et cetera, in China for a period of time.

15 Q You said that the SCBV Receiver would have put it in
16 SCBV's name?

17 A He may have titled it in their name for it.

18 Q So how would the SCBV Receiver have retitled a piece of
19 property that the Stream Estate owned?

20 A I don't know how he did it.

21 Q You wouldn't know how he did it. Have you seen any
22 document that establishes any right, title, or interests over
23 the bonding machine in SCBV, aside from what people have told
24 you?

25 A Not that comes to mind.

1 Q Nothing, huh? Okay. But nevertheless, your asset purchase
2 agreement and the documents that you have filed in favor of
3 this sale suggest that there is some potential that the bidder
4 or the Buyer would not actually receive title of that; is that
5 right?

6 A No, not at all. I think it is very clear that the Buyer
7 will get title, regardless of how it is currently titled. They
8 are either going to get it if Stream owns it or if SCBV owns
9 it. They are going to get it through the equity interest of
10 SCBV. So they will have control over that asset regardless of
11 who currently has title.

12 Q That is important. So they do have control if they buy
13 these assets?

14 A Control over what?

15 Q Over SCBV.

16 A Well, ultimately I am transferring what I believe, the
17 defined term, transferred interests, in the APA, which
18 constitutes three subsidiaries of Technovative, which is one of
19 the Debtor entities. And so they will be the economic interest
20 holder in Ultra-d Ventures, which is a non-Debtor foreign
21 subsidiary. That entity ultimately, I believe, indirectly owns
22 SCBV. So I would suggest that ultimately they will have
23 control should they choose to exercise it over SCBV.

24 Q SCBV ultimately is owned by the Topco's Technovative and
25 Stream TV that are Debtors in this case, right?

1 MR. GEORGE: Objection, Your Honor.

2 THE COURT: Okay. What was your objection, Mr.
3 George?

4 MR. GEORGE: I think he said that it was owned by
5 Technovative and Stream TV. Oh, I am sorry.

6 MR. THOMPSON: Let me rephrase.

7 THE WITNESS: Yes, sir.

8 BY MR. THOMPSON:

9 Q Does the ownership interest of SCBV, wherever it is in the
10 stack, ultimately run up through Technovative at the first
11 level and Stream TV at the second?

12 A Well, I wouldn't say the first level. There are many
13 foreign subsidiary levels before you get to the U.S. Debtor
14 Technovative. So as I just described, I believe it is
15 Technovative, which is a U.S. Debtor. It is Ultra-d Ventures,
16 which is a non-Debtor foreign subsidiary who then owns another
17 foreign subsidiary, Ultra D cooperative who then owns SCBV.
18 It's a chain.

19 Q Yes, I understand, and I thought my question was
20 accounting for it. Perhaps it wasn't, but thank you for the
21 clarification, Mr. Homony. The question really is who controls
22 all of those subsidiaries, including SCBV?

23 A Ultimately, I believe the buyer will be able to exercise
24 control of them.

25 Q The buyer. Who does right now?

1 A Who does right now?

2 Q Yes.

3 A Exercise control over SCBV?

4 Q All of the subsidiaries below Technovative.

5 A Well, I have -- the Debtor's Estates have an ownership
6 interest in Ultra-d Ventures.

7 Q They control everything below Technovative, do they not?

8 A I wouldn't -- I wouldn't, I mean, the facts and
9 circumstances change depending on what a particular entity
10 would want to do.

11 Q Well, does the sale process, Mr. Homony, who has control?
12 Because we just talked about the Hawk parties, if they are the
13 successful Buyers, they would have control for purposes of the
14 bonding machine we talked about. Does that change the process
15 from what exists right now?

16 A Well, obviously --

17 Q In a case where you sit as the Trustee to these Debtors?

18 A Well, I guess, maybe I am speculating. I would suggest
19 that the Buyer is going to exercise control over all of those
20 entities post-closing.

21 Q And they would do so because?

22 A Because of the legal ownership interest in the corporate
23 structure I just described.

24 Q Right. And right now, who has control of the legal
25 ownership interests?

1 A Well, ultimately, Technovative has ownership interest, an
2 economic ownership interest in, as I described.

3 Q And who has control over Technovative --

4 A I do.

5 Q -- and the Stream Debtors?

6 A Okay.

7 Q Thank you. That is where I was really going, Mr. Homony.

8 A Okay. Uh-huh.

9 Q Right. You have control, right?

10 A I have an ownership interest in --

11 Q You can control, right?

12 A Well, that is a -- to me, that is a legal conclusion, that
13 is a different determination.

14 Q Okay.

15 A I don't think I have control over SCBV.

16 Q You don't think you have control?

17 A I do not have it right now, no.

18 Q Did you ever review any of the court proceedings or orders
19 out of the Netherlands Court?

20 A I don't know specifically. I do know that there was a
21 dispute as to who could exercise, I guess, control as the
22 director of SCBV. And I believe the Court in Netherlands, over
23 Stream's objection, appointed Mr. Stastney as the director of
24 See -- SCBV, I believe. That is a recollection from months
25 ago.

1 Q So is Mr. Stastney in control?

2 MR. GEORGE: Your Honor, I object. Control is a
3 label --

4 THE COURT: I am really confused about all of this.

5 MR. GEORGE: -- matters. I am sorry.

6 THE COURT: He has got whatever he has got. And
7 there is a corporate structure. It sounds like he owns certain
8 equity interests. And term, if you are asking about, like,
9 daily operations, it sounds like he is not in control of those.

10 What is the point of all of this questioning?

11 MR. THOMPSON: Your Honor, I am getting there, right?
12 I am asking for --

13 THE COURT: What is your point?

14 MR. THOMPSON: My point is that there is control of
15 certain assets that ultimately are, that run to the benefit of
16 at a minimum, or are controlled by the Stream TV and
17 Technovative Debtors.

18 THE COURT: And?

19 MR. THOMPSON: And that matters for purposes of this
20 sale for reasons --

21 THE COURT: Why? Right. So it is what it is. I
22 mean, they own the equity interests. They have the rights that
23 they have. You are not the Buyer, so you are not asking about
24 clarification, so what is the objection? What is the concern
25 here?

1 MR. THOMPSON: Well, I am getting there, Your Honor.
2 I am trying to show that Mr. Homony has control over all of the
3 subsidiaries, and could take control so that he could actually
4 realize the assets and the value of those assets. And control,
5 in this particular instance, the transfer of those assets.

6 THE COURT: Yes, Mr. George?

7 MR. GEORGE: Your Honor, I think this is all
8 irrelevant. I am going to move to strike the testimony related
9 to this issue of control.

10 THE COURT: I happen to agree. I think it is
11 irrelevant. I mean, you are trying to ask him questions that
12 would suggest that the Trustee has certain powers that you
13 would like to see him exercise, that he doesn't appear to
14 choose to exercise. He wants to sell the assets that he has.
15 He wants to sell the shares of the subsidiaries as part of the
16 sale, so.

17 MR. THOMPSON: Fine, Your Honor. I will move on and
18 we will talk about the assets that he has.

19 THE COURT: Okay.

20 MR. THOMPSON: Your Honor, may I speak to this
21 objection?

22 THE COURT: Excuse me?

23 MR. THOMPSON: May I speak to this objection?

24 THE COURT: Okay.

25 MR. THOMPSON: The relevance, Your Honor, is that the

1 Trustee and the stalking horse bidder have routinely and
2 consistently made the point that this is an asset sale only of
3 stock in corporations. And we just came across testimony that
4 the Trustee provided that there is bonding equipment that the
5 Buyer is getting by either directly the asset being owned by
6 Stream or by taking control of the entity SeeCubic B.V., which
7 owns the bonding equipment. And either way, it affects a
8 transfer of ownership of the bonding equipment. This concept
9 is going to be incredibly relevant throughout all of
10 Rembrandt's claims.

11 THE COURT: Sure. Well they wouldn't --

12 MR. THOMPSON: We would --

13 THE COURT: -- the bonding equipment for a while.
14 The bonding equipment is going to the Buyer, that is no
15 surprise. He just clarified that is really the only hard
16 tangible property that is going to the Buyer that Stream owns,
17 correct, sir?

18 THE WITNESS: Yes, correct.

19 THE COURT: Yeah. So yeah, okay.

20 MR. GEORGE: And Your Honor, I think that further,
21 that this is just an effort to try to make it look like the
22 Trustee didn't do his job. It is really an attack on him as a
23 person --

24 THE COURT: Yeah.

25 MR. GEORGE: -- and the job that he did here.

1 THE COURT: And I don't see its relevance to the line
2 of questioning that you are pursuing with the Trustee right now
3 about, you know, who is the corporate structure or who is
4 controlling the daily operations. I don't think any of that is
5 relevant.

6 MR. THOMPSON: Your Honor, I have heard it and I will
7 move on.

8 THE COURT: Thank you.

9 MR. THOMPSON: I would only suggest that they will
10 become readily apparent why.

11 THE COURT: Okay.

12 MR. THOMPSON: All right. So --

13 MR. GEORGE: But Your Honor, if they become relevant,
14 it will be on another day, it won't be today because none of
15 this (simultaneous speech).

16 THE COURT: All right, Mr. George. Mr. George, I
17 understand. Let's go.

18 BY MR. THOMPSON:

19 Q Mr. Homony, you are familiar with the Stream operations
20 prior to the bankruptcy, correct?

21 A Well, I wouldn't call them operations. I am certainly
22 familiar with -- I don't believe Stream has really operated
23 since the omnibus agreement in 2020.

24 Q So it did operate?

25 A Prior to the omnibus date, they had operations --

1 Q They had operations.

2 A -- as far as I know. Yes.

3 Q Did they have operations in California?

4 A I'm not sure that I paid much attention to the location of
5 the operations, et cetera. It really was not a factor in my
6 evaluation of where we are today in 2024, and how to best move
7 these cases forward and provide a recovery for assets, so.

8 Q Do they have assets in California?

9 A When?

10 Q Anytime.

11 A Well, I --

12 THE COURT: Well, who cares? All that we care about
13 are assets now. All right? Are you asking questions --

14 MR. THOMPSON: Well --

15 THE COURT: -- about assets now in California?

16 MR. THOMPSON: -- Your Honor, this is relevant.

17 THE COURT: Okay. So what is your point?

18 MR. THOMPSON: I promise you it is relevant.

19 THE COURT: Just tell me your point, sir.

20 MR. THOMPSON: My point is that there were assets in
21 California.

22 THE COURT: Uh-huh.

23 MR. THOMPSON: There were servers in California.

24 THE COURT: Uh-huh.

25 BY MR. THOMPSON:

1 Q They were in -- they were Stream's servers and they had
2 Stream's production code on them. Do you know about that, Mr.
3 Homony?

4 A When?

5 Q They had the -- this, they were on these servers in 2020.
6 They were as recently, I believe, as 2021.

7 MR. GEORGE: Your Honor, is that testimony? Because
8 that doesn't sound like a question.

9 MR. THOMPSON: Well, again, I can't --

10 THE COURT: Well, he was asking about what I asked
11 him.

12 MR. THOMPSON: -- be asked to do it both ways, right?

13 THE COURT: Okay. But so why do we care about the
14 servers in California at some prior date that is no longer --

15 MR. THOMPSON: Because it has property of the Stream
16 Estate on it, on those servers. And there is source code,
17 there is production code created by Stream TV, Stream TV's
18 employees, Stream TV's engineers, and that was done with
19 Rembrandt's IT and trade secrets.

20 THE COURT: Okay. So -- yeah. Yeah. So this sounds
21 like a legal argument. It doesn't sounds like --

22 MR. THOMPSON: It -- I -- Your Honor, I am simply
23 trying to establish what this trustee, who is just represented
24 to this Court, there's only item of -- of -- one asset, a hard
25 asset. There's more than one asset, and it --

1 THE COURT: Okay. Well --

2 MR. THOMPSON: -- and --

3 THE COURT: -- he just said that there's only one.

4 If you disagree, then we'll have to agree to disagree.

5 MR. THOMPSON: I think I need to establish whether
6 this trustee -- I'll use Mr. George's words -- did his job to
7 investigate and marshal the assets, and I'm trying to probe
8 that. I'm trying to test that proposition. He suggested he
9 did.

10 THE COURT: Well, he's -- you're talking about some
11 servers from California. I don't really understand how it's
12 relevant.

13 Yes, Mr. George?

14 MR. GEORGE: Your Honor, in addition, if there -- as
15 Mr. Homony testified -- if there are assets, wherever they are,
16 they're going to belong to the purchaser, and -- and that's the
17 facts of the matter.

18 There hasn't been a single fact established that
19 there are servers in California -- that there's anything on
20 them that's relevant to the hearing on approval of the sale
21 motion. That's what we're here for today.

22 MR. THOMPSON: Your Honor, I'm trying to find out
23 where -- what assets Mr. Homony knows about, and he's only told
24 us one.

25 THE COURT: Yes.

1 MR. THOMPSON: And if that's -- if his answer is --

2 THE COURT: That's the one --

3 MR. THOMPSON: -- I didn't investigate --

4 THE COURT: -- that's the one.

5 BY MR. THOMPSON:

6 Q Did you do any investigation of any other assets, hard
7 assets or intellectual property assets, for the -- for the
8 estate.

9 MR. GEORGE: Objection to form, Judge. It's
10 compounded because he lists the two together. He already
11 testified there wasn't any, like, intellectual --

12 THE COURT: I think you've already asked him, and he
13 already said the only tangible property that he's investigated
14 is the bonding equipment. That's it.

15 MR. THOMPSON: Okay. So that's the only
16 investigation.

17 BY MR. THOMPSON:

18 Q Mr. Homony, did you have a meeting with Mr. Rajan, Ms.
19 Menine and their former counsel from Lewis Brisbois, who is no
20 longer counsel at the time, in -- on March 7th, 2024?

21 MR. GEORGE: Objection, Your Honor, to the extent
22 that there's facts that are stated in that question that aren't
23 in evidence. He's saying that Lewis Brisbois was not VSI's
24 attorney. We disagree with that wholly.

25 THE COURT: Okay. Do you have any recollection of

1 this March meeting, sir?

2 THE WITNESS: I do. I believe it's the -- yes. I
3 do.

4 BY MR. THOMPSON:

5 Q During that meeting, did you make representations to the
6 VSI team that they were the subject of a civil conspiracy?

7 A No.

8 Q You didn't say that?

9 A Absolutely not.

10 Q Okay. Were you shown a list of assets that needed to be
11 returned to Stream TV?

12 A I believe they identified certain assets they -- they
13 believe were not returned in connection with the Delaware
14 Chancery Court matter.

15 Q They included displays; did they not?

16 THE COURT: If you don't remember, it's okay.

17 THE WITNESS: I don't recall.

18 BY MR. THOMPSON:

19 Q Phones?

20 A I don't recall specific assets that they may have
21 identified.

22 Q You don't remember any of the assets on that list?

23 A I remember they provided a list. I just don't remember
24 today the specificity.

25 Q Were you -- were you aware that there was an obligation to

1 return assets to the Stream TV estate from Hawk and -- and
2 SeeCubic. SeeCubic, Inc. -- excuse me -- to be more precise.
3 A I try -- I'm trying to recall exactly the legal position
4 of the -- of -- of the Delaware Chancery Court matter when I
5 was appointed as a trustee here. I know there was an order
6 that required, I believe, the return of assets that SeeCubic
7 had under the prior omnibus that was ultimately overturned. So
8 again, I know -- I know VSI's argument was there were assets
9 that were never returned to Stream that should have been.

10 Q What did you do with that list of assets that they had
11 given you?

12 A Well, I think I took it under advisement. I mean, at the
13 time, you have to appreciate this case and -- and the -- the
14 fighting and the unknowns at the time that I was appointed and
15 trying to figure out where the most valuable assets are.
16 Right? And so there can be assets, some of which have the
17 minimus value, some have no value, some are a burden, and so, I
18 think, I identified the most valuable assets and have proposed
19 to sell them. And so could there be other assets out there
20 that are not specifically identified? Of course. And that --
21 that is under the broader description in the APA that provides
22 for a sale of both known and unknown assets to the extent they
23 fall in those categories described in the APA.

24 Q You don't quite remember what was on that list, but could
25 it have had software?

1 MR. GEORGE: Objection, Your Honor. He asked him to
2 speculate.

3 THE COURT: Yeah. He's already answered the
4 question.

5 MR. THOMPSON: Okay.

6 BY MR. THOMPSON:

7 Q So I think what you said in response to my question about
8 what you did was to find the -- was to identify the most
9 valuable assets. Do you not think that software code for a
10 technology company was a value asset -- valuable asset?

11 THE COURT: Okay. He --

12 MR. GEORGE: Your Honor, objection.

13 THE COURT: -- already answered the question.

14 MR. GEORGE: It hasn't been established that --

15 MR. THOMPSON: I -- I didn't ask that question, and
16 I --

17 THE COURT: You asked him --

18 MR. THOMPSON: Asked him to --

19 THE COURT: -- if he identified the most valuable
20 assets and if there's something there that, you know, that
21 he -- that wasn't on that, then he didn't conclude that it was
22 very valuable.

23 I have to admit, sir, I really feel like what you're
24 doing here is you're trying to make legal argument, and I
25 simply don't want to hear it. What are the factual questions

1 that you have --

2 MR. THOMPSON: I'm trying to establish --

3 THE COURT: -- related to this --

4 MR. THOMPSON: -- Your Honor, what assets this
5 trustee knew about and did not know about.

6 MR. GEORGE: And -- and why is that relevant, Judge,
7 if all of the assets are being transferred? Wherever they are
8 in an --

9 THE COURT: I agree with Mr. George.

10 MR. THOMPSON: It matters. It matters because the
11 condition of those assets, if they are encumbered by licenses,
12 that --

13 THE COURT: Yes.

14 MR. THOMPSON: -- the trustee does not --

15 THE COURT: -- and you're going to sue them. I get
16 the point, yes.

17 MR. THOMPSON: Your Honor, I think it's more than
18 that, but --

19 THE COURT: Yeah. So what is it? You want to sue
20 them. I get it.

21 MR. THOMPSON: It's -- it's not --

22 THE COURT: But what's --

23 MR. THOMPSON: -- it's -- it's not about that.
24 It's --

25 THE COURT: It's a sale issue, just tell me --

1 MR. THOMPSON: Because Your Honor, it cannot be sold
2 free and clear that way. They do not have 363(f) rights, and
3 they certainly don't have it to -- for this stalking horse.

4 THE COURT: And that's your legal argument, and I
5 will take that under advisement.

6 MR. THOMPSON: Your Honor, I understand. I am trying
7 to adduce the facts that demonstrate that. That's all.

8 THE COURT: No. Okay. It's not facts. It's legal
9 argument. I completely disagree with you, sir. Okay. So --

10 MR. THOMPSON: I -- you know, I -- okay. I -- I've
11 heard -- I've heard the Court, and I will try to move on.

12 THE COURT: Okay.

13 MR. THOMPSON: All right.

14 BY MR. THOMPSON:

15 Q Mr. Homony, during that meeting, were you presented with
16 purchase orders that were --

17 THE COURT: Why are we talking about this? Why are
18 we talking about what was discussed at the meeting?

19 MR. THOMPSON: Your Honor, that would have been an
20 asset of the estate.

21 THE COURT: Okay. So all of the assets that they own
22 are being transferred to the buyer, so I don't understand how
23 it's relevant to talk about what assets were discussed at that
24 meeting or were not. Explain that to me. Why is that
25 relevant?

1 MR. THOMPSON: Because this trustee had an obligation
2 to maximize the value for all state creditors.

3 THE COURT: Right. And he said he identified the
4 most valuable assets. And --

5 MR. THOMPSON: Okay. Your Honor, if I have -- may
6 have a moment, maybe we can --

7 THE COURT: Yeah.

8 MR. THOMPSON: -- cut this short, and let Mister --

9 THE COURT: Great. Thanks.

10 MR. THOMPSON: Your Honor, in the -- in the interest
11 of trying to be briefer. We will -- I'm -- I will pass to
12 Mr. Michaels. Thank you.

13 MR. MICHAELS: Just -- our exhibits, we have binders
14 and -- and copies that we provided opposing counsel. I can
15 give them to the Court. Some of these are not premarked
16 because we had to print them this morning, and I just had them
17 in a hurry because they dealt with cross for the -- for the
18 decks, but I'll -- I'll come hand them up if that's okay, if I
19 can approach?

20 THE COURT: Okay.

21 MR. MICHAELS: And there's -- there's a couple here
22 that I think we'll just hand up when we bring them up --

23 THE COURT: Okay.

24 MR. MICHAELS: -- if that's okay. They're not in
25 this.

1 MR. GEORGE: Your Honor, I just want to point out
2 that Mr. Michaels is listed as a witness in the witness list,
3 so I -- who's telling the truth here? Is he a lawyer? Is he a
4 witness? Is he both? I mean, you know, this game that's being
5 played here --

6 THE COURT: Well, who's being called as a witness? I
7 thought we're --

8 MR. GEORGE: In the -- in the witness list in the
9 documents that we just received.

10 THE COURT: We have him and we have Scott Victor.
11 Those are the witnesses for today.

12 MR. MICHAELS: Your Honor, we brought witnesses
13 today. That's what you --

14 THE COURT: I don't -- okay. So why do I need to
15 hear from any witnesses from your side?

16 MR. MICHAELS: What's that?

17 THE COURT: Who am I hearing from? Give me an
18 example.

19 MR. MICHAELS: Stephen Blumenthal.

20 THE COURT: And why do I need to hear from him?

21 MR. MICHAELS: Your Honor, we were told at the June
22 5th hearing by you that -- that the timeframe for discussing
23 our assets that are being -- attempted to be included in the
24 transfer and sale, that this was the hearing that we should
25 prepare for and bring our arguments.

1 THE COURT: All right. But I'm just talking about
2 legal argument. I don't need to hear from witnesses. You've
3 briefed all of your legal arguments. That's what I care about.

4 Thanks.

5 UNIDENTIFIED SPEAKER: Okay.

6 MR. GEORGE: And Your Honor, Mr. Blumenthal is not on
7 the list of witnesses. Mr. Michaels is, the lawyer, but
8 Mr. Blumenthal --

9 MR. MICHAELS: All right. I mean --

10 MR. GEORGE: -- which one is he here today?

11 THE COURT: All right. All right.

12 MR. MICHAELS: Your Honor, I'm not going to be able
13 to scream over Mr. George. Can I --

14 MR. GEORGE: I'm not screaming. I'm just making a
15 point.

16 THE COURT: Yeah.

17 MR. MICHAELS: Okay. What he's referring to is a set
18 of documents handed to him by VSI. That's not our witness
19 list. We -- we're calling one witness.

20 THE COURT: Yeah. Okay.

21 MR. MICHAELS: Stephen Blumenthal.

22 THE COURT: I don't really -- so who's the witness
23 that you want to call, sir?

24 MR. MICHAELS: Stephen Blumenthal.

25 THE COURT: Yeah. And what is he going to testify

1 to?

2 MR. MICHAELS: He's going to testify to the assets
3 that we have in this estate and how easy it is to determine
4 that our assets are being transferred and where they're found.

5 THE COURT: Okay. And I don't need to hear from that
6 witness today, and I'm not going to hear from him today. I'm
7 happy to hear all the arguments that you've listed in your
8 briefs, but I'm not taking testimony from that gentleman. I
9 don't need that for part of the sale process.

10 The assets are what they are. They've listed them.
11 I mean, let's face it. The assets are mostly equity, right?
12 There's one piece of hard asset. The rest of this is -- deal
13 is equity.

14 MR. MICHAELS: Your Honor, with respect, we followed
15 your instructions in understanding that this was going to be
16 our day to bring our evidence, and the rug's being pulled out
17 from under us.

18 I -- I -- I stand dumbfounded that we couldn't rely
19 on this Court's statements that this was going to be our --

20 MR. GEORGE: Well, Your Honor --

21 THE COURT: But the statements I made in the prior
22 hearing specifically were that you should put in your brief to
23 the objection to the sale every legal argument you have about
24 the licenses. This is like your main argument, right? So you
25 did that. You gave the briefing, and we're looking at the

1 briefing, and we've seen their responses, and we're going to
2 take everything under advisement.

3 So it's a legal issue. I don't understand how this
4 is a --

5 MR. MICHAELS: Let me ask just a procedural question.
6 Are you saying that our declaration submission by Stephen
7 Blumenthal is being taken into evidence?

8 THE COURT: I will take that into evidence.

9 MR. MICHAELS: All right. Can I proceed with --

10 THE COURT: Yes.

11 MR. MICHAELS: -- cross? Okay.

12 MR. MICHAELS: This is -- again, I -- we received
13 their declarations at past 5:00 p.m. I'd already arrived --

14 THE COURT: Okay. It can't be a surprise, right?

15 MR. MICHAELS: What's that?

16 THE COURT: We all -- it can't be a surprise. We
17 know the sale process, right? We understand what happened.

18 MR. MICHAELS: Your Honor, I'm only apologizing for
19 not marking the exhibits.

20 THE COURT: Okay. That's fine, not a problem.

21 MR. MICHAELS: Right.

22 MR. GEORGE: What are you marking it?

23 MR. MICHAELS: This is --

24 MR. GEORGE: No. What are you calling it? The
25 number.

1 MR. MICHAELS: What?

2 MR. GEORGE: Just call it Rem.

3 MR. MICHAELS: Rembrandt Exhibit 1.

4 THE COURT: Okay. We'll do --

5 CROSS-EXAMINATION

6 BY MR. MICHAELS:

7 Q Mr. Homony, do you recognize the document we've put before
8 you?

9 A Yes. It looks like the teaser sent out by my investment
10 banker, SSG.

11 Q Okay. Can you jump to the assets overview?

12 A Okay.

13 Q In that section, does it describe that the assets include
14 Ultra-D technology?

15 A Yes.

16 Q Does it provide a list of the features and diverse
17 applications of the technology?

18 A There's a -- a heading that describes the unique features
19 in diverse applications of technology, yes.

20 Q And are the things listed under that heading, would you
21 agree that those are features and diverse applications of the
22 technology?

23 MR. GEORGE: Objection to form, Your Honor. To the
24 extent he knows.

25 THE COURT: Okay.

1 MR. MICHAELS: I -- I am --

2 THE COURT: Well, it says what is says, so what is
3 the question?

4 BY MR. MICHAELS:

5 Q Do you agree with what it says?

6 A I -- I don't know the technology at -- at the, kind of,
7 level that would --

8 THE COURT: Wasn't this prepared by Scott Victor?
9 Right -- was this? Yeah. Okay. So --

10 MR. GEORGE: So he's going to be a witness.

11 THE COURT: Yeah.

12 MR. MICHAELS: I mean, he can say, I don't know. I
13 had no -- no hand in preparing this.

14 THE COURT: Okay. Fine.

15 MR. MICHAELS: That -- that's the answer.

16 THE COURT: So you didn't --

17 THE WITNESS: No. No. I -- I did not prepare it.

18 THE COURT: Yeah. Okay.

19 THE WITNESS: I reviewed it before it went out.

20 BY MR. MICHAELS:

21 Q Do you recall getting lists of questions from Rembrandt
22 regarding the status of certain software?

23 A I -- I know we've engaged with Rembrandt numerous times
24 since my appointment. I know Rembrandt has provided certainly
25 lots of things with respect to their position in -- in terms of

1 their alleged intellectual property. We certainly met with
2 Rembrandt. We even put Rembrandt in direct contact with SEBV's
3 engineering team.

4 Q Uh-huh.

5 A I was a party to that meeting in which there was a lot of
6 back and forth, questions about the source code the technology,
7 how it's housed, et cetera.

8 Q So you brought up the very next thing I was going to, so I
9 appreciate that. In that meeting, do you recall Rembrandt
10 questioning the Eindhoven (phonetic) team whether they were
11 using a modern version controlled software management system?

12 A I don't recall that specifically, no.

13 Q So when you set up that meeting, did you feel that you, in
14 your power as trustee, that you had authority to ask the
15 Eindhoven team to meet with Rembrandt at your direction?

16 A I have authority to task anybody to -- to meet with
17 anybody.

18 Q Okay. So was it within your authority to ask them to
19 provide further information: Number of files, file names,
20 etcetera, for the source code that was on the secure server
21 that you've listed in your asset list?

22 MR. GEORGE: Objection to form, Your Honor. It
23 assumes facts not in evidence. There's no indication that
24 there was source code on any of those servers that Rembrandt
25 has an interest in.

1 MR. MICHAELS: You're -- with respect, the APA lists
2 the -- that as an asset. It's -- the exact words are, Source
3 code on a secure server.

4 THE COURT: Okay.

5 MR. MICHAELS: I mean, if he doesn't know that, then
6 the asset list is inaccurate.

7 THE COURT: Okay. And what --

8 MR. GEORGE: I believe that's --

9 THE COURT: -- my questions are --

10 MR. GEORGE: I'm sorry, Your Honor.

11 THE COURT: I just -- I'm so confused because, I
12 mean, the assets are what they are. Are you trying to make the
13 same point that he was trying to make about, you know, what is
14 the point about the assets? The assets have been listed on the
15 schedule to the assets of purchase agreement, so what is the
16 relevance of your line of questioning, sir?

17 MR. MICHAELS: The -- the relevance is whether he --
18 if there's an asset listed, does he know where is, as is, for
19 that -- for that asset, right?

20 UNIDENTIFIED SPEAKER: Your Honor --

21 MR. GEORGE: Your Honor, I -- I just want to object
22 to this because the only source code and -- and -- and servers
23 are in SeeCubic B.V. a non-debtor. Stream doesn't have any of
24 those assets, and they weren't listed. There was no scheduled
25 source code.

1 MR. THOMPSON: Objection. He's testifying, Your
2 Honor.

3 THE COURT: Okay. Well, I'm going to clarify that
4 the assets that are being sold are on the schedules. They're
5 either on there or they're not, so I don't want to talk about
6 it. It's there or not, right?

7 MR. GEORGE: But what I -- and what I'm objecting to
8 specifically is Mr. Michaels trying to make it appear that
9 we're selling assets in SeeCubic B.V.

10 THE COURT: Right. They're only -- you're only
11 saying they're shares. Yeah. Right.

12 MR. GEORGE: And the assets that were -- excuse me --
13 the assets that were listed as to B.V. were listed at the
14 Court's instruction that we list the downstream assets, so the
15 question was inappropriate. He knows it is, but he asked it
16 anyway.

17 MR. MICHAELS: With respect, I don't believe it's
18 inappropriate. We are asking about an asset listing on their
19 schedule.

20 THE COURT: Okay. But --

21 MR. MICHAELS: And -- and -- and if I may, Your
22 Honor. The -- the asset isn't shares in a corporation that may
23 have control of some software. Stream listed as its asset,
24 Source code on a secure server, not held in some other
25 corporate entity, Source code on a secure server, and I'm

1 asking, what is that? What -- where is it? What is it? And
2 that's -- I think that's a perfectly valid question about the
3 assets that are subject to this asset.

4 MR. GEORGE: If he has a document that reflects that,
5 he should show the witness because I don't believe there's any
6 such doc.

7 UNIDENTIFIED SPEAKER: Do you guys have the APM? Is
8 that in the -- in the folder you have there?

9 MR. MICHAELS: It's on the list of assets on the
10 beginning of the schedule --

11 UNIDENTIFIED SPEAKER: Okay. Well, if we're just --

12 THE COURT: She's trying to understand what you're
13 asking.

14 MR. MICHAELS: I'm asking --

15 THE COURT: I know, just show us the document.

16 MR. MICHAELS: We have -- we have an electronic --

17 UNIDENTIFIED SPEAKER: You don't have an APA in
18 printed form; do you not?

19 MR. MICHAELS: No. Okay.

20 THE COURT: So --

21 MS. RUSSELL: Your Honor?

22 THE COURT: Yes. Who is this speaking?

23 MS. RUSSELL: This -- this is Alyssa Russell from --
24 from Skadden along with -- with Marley. I'm on the phone here
25 representing SeeCubic.

1 I was just -- further the objection here to the
2 relevance as the APA makes clear Rembrandt's IP and any
3 physical assets that contain its IP to the extent it's found
4 valid and existing and enforceable, they're excluded assets.
5 We -- we don't think any of this is relevant here today.

6 MR. MICHAELS: We certainly care about Rembrandt's
7 assets, but I'm asking about their schedule on the APA that is
8 here to be approved in the sale to be approved, and asking,
9 What is the source code? Where is the source code? With
10 respect, they've said that they're --

11 MS. RUSSELL: The -- we appreciate your effort to --
12 to conduct this diligence, but -- but the stalking horse
13 purchaser has conducted their diligence and we are comfortable
14 taking these assets on an as is, where is basis, and, again,
15 don't -- don't believe this line of questioning is relevant.

16 THE COURT: I'm inclined to agree with her.

17 BY MR. MICHAELS:

18 Q The -- how is it that you determined that intellectual
19 property belonging to Rembrandt, Phillips, or any other third
20 party were not on the source code on a secure server --

21 THE COURT: Okay. I'm -- this is the legal argument.
22 You're talking about, you know, the fact that you think that
23 the sale is impermissible because it's infringing upon your
24 rights. I get that. It's a legal argument.

25 I don't want to hear any questions about that. The

1 assets are what they are. The only person who's bid upon them
2 has done their due diligence, and to the extent that you
3 believe that the sale is going to violate your rights, you can
4 bring whatever litigation you want. We simply are going to
5 have to agree to disagree on this matter, sir.

6 I don't want to hear any more questions about the
7 assets. The assets are what they are. They're on the
8 schedules. The buyer has done their due diligence, and you can
9 make whatever legal argument you want to make, but I don't need
10 to hear any questions about it. It's simply not relevant.

11 Okay. So I think we're done with you, sir.

12 Mr. Victor, do you want to come up here?

13 MR. GEORGE: Your Honor, do you want to proffer or
14 just --

15 THE COURT: On Mr. Victor?

16 MR. GEORGE: Yeah.

17 THE COURT: Quickly.

18 MR. GEORGE: Okay.

19 THE COURT: Come on, Mr. Victor. Come on up here.

20 Thanks, sir.

21 THE WITNESS: Would you like --

22 THE COURT: You can leave that.

23 MR. GEORGE: Your Honor, in accordance with this
24 declaration, he would testify that SSG was retained to market
25 the stream assets, as well as the equity interest held by

1 Technovative Media in the following companies: Technology
2 Holdings Delaware LLC, Media Holdings Company LLC, Ultra-D
3 Ventures CV a Kirkcow (phonetic) entity that pers retention
4 approved by this Court, SSG conducted a robust marketing of the
5 assets, contacted over 500 potential purchasers, solicitation
6 including everyone from television networks to OEM
7 manufacturers, to financial purchasers, that SSG and its staff
8 created a data room and in it was sales information populated
9 by documentation for the veteran trustee.

10 The following in a procedures hearing, SSG sent out a
11 second teaser with the comments of Rembrandt and BSI contained
12 and that the additional teaser did not generate any additional
13 interest in the assets being sold. Only one party accessed the
14 data room as of December 2nd, '24; there have been no other
15 bids on the assets, that the stalking horse offer provides
16 substantial benefit to the estate and in his opinion, the
17 stalking horse offer ties to the best offer that could be
18 obtained, under the circumstances, for the asset.

19 THE COURT: Thanks, Mr. George.

20 Tashay, can you swear our witness in?

21 J. SCOTT VICTOR, WITNESS, SWORN

22 THE COURT: Okay. You want to ask Mr. Victor -- oh,
23 sorry.

24 THE WITNESS: Yes, J. Scott Victor, V-I-C-T-O-R.

25 THE CLERK: Thank you.

1 THE WITNESS: 300 Bar Harbor Drive, West Conshohocken
2 in Pennsylvania, 19428.

DIRECT EXAMINATION

4 BY MR. SWICK:

5 Q Good afternoon, Mr. Victor. How are you?

6 A Good, how are you?

7 Q Good. I'm Adam Swick with Akerman on behalf of VSI. Talk
8 about your role; how are you retained in this matter?

9 A I was retained by the Chapter 11 Trustee, on behalf of my
10 firm, SSG advisors, to run a sale process for the debtor's
11 assets.

12 Q All right. How did you become familiar with the debtor's
13 assets?

14 A We were first aware of the debtor's assets when we were
15 hired by the secured creditor in the fall of 2022, to run an
16 Article IX process which was stayed by order of the Chancery
17 Court of Delaware.

18 Q I -- and who was the secured creditor that you referred
19 to?

20 A Hawk and SeeCubic.

21 Q Okay. And that's -- SeeCubic is the purchaser for here
22 today, correct?

23 A One of them. Yes.

24 Q Let's -- so when you were engaged, what were your duties
25 when you were engaged?

1 A By the trustee?

2 Q Correct. Yes.

3 A To reengage, understand the -- what was going on since our
4 engagement with the secured creditor terminated in January of
5 2023. We became familiar, we read up on all the litigation
6 that had occurred since our termination. And our job was to
7 put together a sale process for the assets of the debtor,
8 including the equity interest of the subsidiaries, held by
9 Technovative, and to put together a teaser, get information to
10 populate a data room, and to come up with a world-wide buyer
11 list to maximize the value of these assets.

12 Q All right. So how did you come up with your world-wide
13 buyer list?

14 A I had my team do research, as they do on every deal, and
15 come up with a buyer's list of strategic, operational financial
16 buyers that may be interested in this technology.

17 Q All right. We're going to do --

18 MR. SWICK: Did that work, Your Honor?

19 THE COURT: Yeah.

20 MR. SWICK: All right. Let's just label it VSI
21 Exhibit 1, it's Mr. Victor's declaration that was filed last
22 night.

23 Mr. THOMPSON: It's also --

24 MR. SWICK: Huh?

25 Mr. THOMPSON: It's also RT2.

1 MR. SWICK: Oh.

2 Mr. THOMPSON: Scott's declaration.

3 THE COURT: No.

4 MR. THOMPSON: This seat's really low, Your Honor.

5 MR. SWICK: My seat's really low, too, if that's what
6 you're saying.

7 BY MR. SWICK:

8 Q All right. Would you please take a look at paragraph 20?

9 A Paragraph 20, you say?

10 Q Yes.

11 A Yes.

12 Q All right. So it says that you reached out to 550
13 prospective buyers around the world; what does "reached out"
14 mean?

15 A It means that the teaser that we prepared, that I believe
16 you showed Mr. Homony here, which was Rembrandt 1, was sent out
17 to these 550 buyers that we came up with that we reviewed with
18 the trustee and his team as potential buyers. So that teaser,
19 along with an email, was sent out to those 550 and follow-up
20 calls to all of them. That's how we reach out in the sale
21 process.

22 Q Okay. And did -- and no one expressed any interest
23 besides VSI and Jacob -- I forgot his last name, but at
24 Continental?

25 A Continental Energy, yes. So no one signed an NDA other

1 than VSI and Continental advisors, which was an alleged
2 investor into VSI; but we had multiple conversations with
3 multiple potential strategic buyers who ultimately passed
4 without even signing an NDA.

5 Q So how many -- you said multiple, can you give me an
6 approximation of how many?

7 A Dozens.

8 Q Dozens. But no one went the next step for an NDA?

9 A No one.

10 Q Did Rembrandt ever express any interest in purchasing the
11 debtor's assets?

12 A Not to us directly, but I believe maybe to the trustee and
13 trustee's counsel, but no, I never had any direct reach-out by
14 Rembrandt, ever.

15 Q Okay. So even though they reached out to, at least, the
16 trustee or trustee's counsel, did you send them that teaser
17 went you sent it out to the 550 people?

18 A I don't know.

19 Q Did you send the teaser to VSI when you sent it out to
20 those 550 people?

21 A Well, VSI was already under NDA and we gave VSI access to
22 the data room and provided additional diligence to VSI's
23 representative, Bud -- I can't remember his last name at this
24 moment, but he requested several additional pieces of
25 information including the cash burn rate at SeeCubic BV, which

1 we gave him, literally, up until the last minute.

2 Q No, I understand that. But my question was, did you
3 provide VSI with the teaser when you sent it out to the 550
4 parties?

5 A I don't think so.

6 Q Okay.

7 A But I can't be sure.

8 Q So the Continental Advisory firm that we talked about, did
9 you send the teaser to them?

10 A We did send the teaser to them, as well as the NDA, which
11 they signed.

12 Q But did you send the teaser to them when you sent it out
13 to the 550?

14 A They were not included in the 550, no.

15 Q And then we've -- there's been a plan on file now, it has
16 just been for a couple of days, but the plan sponsor is an XD
17 called CanAm Financial in Canada. Have you ever heard of them
18 before?

19 A What's the name?

20 Q Can -- C-A-N-A-M.

21 A No.

22 MR. GEORGE: Your Honor, can we just have an offer of
23 proof of the relevance of what's in that plan?

24 THE COURT: Yeah, I don't -- well, the plan is not at
25 issue for today.

1 MR. GEORGE: Right.

2 MR. SWICK: Well, we have some -- it's -- all I want
3 to prove is there was an entity that has interest in these
4 debtor's assets, that I don't think got the teaser or was
5 contacted by Mr. Victor.

6 THE COURT: Did you -- sounds like you know them,
7 though, because they're part of the plan?

8 MR. SWICK: They're the plan sponsor. Yeah.

9 THE COURT: Did you not give them the teaser?

10 MR. SWICK: I -- well, we have now. Into this
11 process.

12 THE COURT: Okay. Well, are you saying that they're
13 a potential interested bidder on these assets?

14 MR. SWICK: They're not going to -- we don't want a
15 bid, we have a plan on file.

16 THE COURT: Oh, okay. All right.

17 MR. SWICK: Yeah.

18 THE COURT: So but what's the relevance of Mr.
19 Victor's --

20 MR. SWICK: Because CanAm is interested in spending,
21 like, \$300 million on these debtors.

22 THE COURT: How is that relevant to what Mr. Victor
23 was hired to do?

24 MR. SWICK: Well, he was hired to go find people who
25 want to spend money on the assets and he didn't contact them or

1 know who they were --

2 THE COURT: Mr. Victor --

3 MR. SWICK: -- or another part of the bids --

4 THE COURT: -- contacted over 500 people, I think
5 that's pretty impressive.

6 MR. SWICK: No, and not only that, Your Honor --

7 THE COURT: And if you knew of someone that might be
8 a potential interested buyer, I would think you'd forward all
9 that information along to them.

10 If your point is that Mr. Victor didn't send a teaser
11 to this person who is part of your plan, I don't really see how
12 that's relevant if you, you know, he -- he did a good job. He
13 sent it out to 500 people, and he didn't get any response. So
14 any other questions?

15 MR. SWICK: Yeah, I have more questions, Your Honor.

16 THE COURT: Okay.

17 BY MR. SWICK:

18 Q All right. Mr. Victor, let's look at paragraph -- I'm
19 sorry, just give me one second. Go to paragraph 11.

20 A Yes.

21 Q All right. So we're just going to read it out loud, it's
22 a short paragraph, just to save time.

23 "I met with VSI representatives who, after an
24 extensive discussion of SSG's approach to marketing
25 the debtor's assets, were satisfied that I could

1 perform the services of an investment banker fully
2 and without conflicts. VSI withdrew its objections
3 to SSG's retention."

4 Did I read that correctly?

5 A Yes, you did.

6 Q All right. Is that totally correct, Mr. Victor?

7 A It is correct because I spoke with counsel for VSI who's
8 here at the table today, along with his colleagues. They had
9 objected to our retention, claiming that we had a conflict
10 because we were retained in the fall of 2022 to do an Article
11 IX sale for the secured lender; they objected; we had a phone
12 call, probably two; and they withdrew the objection.

13 MR. SWICK: May I approach, Your Honor?

14 THE COURT: Yep. Thank you.

15 BY MR. SWICK:

16 Q So Mr. Victor, this is an email from Mr. Thompson to Mr.
17 Coren, Michael Vagnoni, and Ed George. I want to direct your
18 attention to paragraph 2. Okay? I'm going to read this out
19 loud, too.

20 "Moreover, we believe we, in the trustee, were
21 negotiating good faith regarding VSI's proposed plan
22 of reorganization. And thus, we agree to one,
23 withdraw VSI's objection to SSG's engagement; two,
24 postpone the hearing on our motion to compel and your
25 motion to quash originally set for September 18th to

1 November 7th, simultaneously resetting the trustee's
2 motion to withdraw and VSI's motion for
3 reconsideration.

4 "However, within a few short days of postponing the
5 hearing, the trustee reversed its prior commitments
6 with respect to VSI's plan, rejected VSI's proposed
7 full payment plan, and filed an expedited sale and
8 good procedures motion."

9 Did I read that correctly?

10 MR. GEORGE: Your Honor, I'm going to object. This
11 is a hearsay document; Mr. Victor's not copied on it.

12 THE WITNESS: I'm not copied.

13 THE COURT: Yeah. Well --

14 THE WITNESS: I don't know if I've ever seen this.
15 But okay, you've read it.

16 THE COURT: Okay. So I
17 objection. He's not part of this.

18 MR. SWICK: Okay.

19 | BY MR. SWICK:

20 Q Were you part of any conversations where the attorneys in
21 this case and you were involved and mentioned and said hey,
22 we're going to withdraw this objection under certain conditions
23 that weren't just based on your qualifications?

24 A No.

25 Q No recollection whatsoever?

1 A None.

2 Q Okay. Let's go back just a little bit and talk about your
3 previous retention involving these parties and these assets,
4 back in -- I think you said it was 2020 for SeeCubic and Hawk?

5 A The fall of 2022.

6 Q Oh, 2022. Okay. How were you approached for that
7 representation?

8 MR. GEORGE: Your Honor, I'm going to object to the
9 relevance of this.

10 THE COURT: Yeah. What's the relevance of this?

11 MR. SWICK: The relevance, Your Honor, is that we
12 have a sale process where no one has expressed any real
13 interest, the assets are going to the entity that held all of
14 the assets, weren't retained by the trustee, and no one could
15 even bid on the assets. And so -- and then the investment
16 banker who did all of the solicitation was previously hired by
17 the Hawk parties and that's who these assets are going to
18 who've always retained them this entire time.

19 So the process -- this is going into legal argument
20 so I know exactly where you're going to go --

21 THE COURT: I know. Uh-huh. That's right.

22 MR. SWICK: -- so I'm going to -- that is, once
23 again, factual predicate for the legal argument, which is where
24 we are.

25 THE COURT: Okay. I'm going to sustain the

1 objection.

2 MR. SWICK: All right.

3 No further questions.

4 THE COURT: All right. Anyone else?

5 MR. VAGNONI: Can we go off of Rembrandt Exhibit 1,
6 the market excel sheet. Do you have that up there?

7 THE WITNESS: I have it.

8 THE COURT: Okay.

9 MR. VAGNONI: All set?

10 THE WITNESS: Yes.

11 CROSS-EXAMINATION

12 BY MR. VAGNONI:

13 Q Okay. So this document, can you describe for me how it
14 was created?

15 A Yes. My team created this one-page teaser which is
16 standard operating procedure to sell a company.

17 Q Okay.

18 A Or to finance a company, or whatever. But a one-page
19 teaser is standard operating procedure in the hundreds and
20 hundreds of sales that I have done.

21 Q Okay. Thank you. The assets overview section, who
22 provided you the information to write that section of the
23 teaser?

24 A My team put it together, speaking with, specifically, the
25 engineering team in the Netherlands.

1 Q Okay.

2 A At SeeCubic BV.

3 Q So this mentions the license with Phillips; do you see
4 that reference?

5 A Yes.

6 Q Did your team read the Phillips licensing agreement?

7 A We had it, yes.

8 Q But in the 550 --

9 A In fact, it's in the data room.

10 Q Right. So in terms of the 550 companies, or entities,
11 that you contacted, did you reach out to the 23 or so licensees
12 in that Phillips agreement that are basically working in the
13 same technology?

14 MR. GEORGE: Your Honor, I have an objection here.

15 He doesn't represent Phillips. Leia, who, I understand is a
16 successor to Phillips is on the telephone. So I don't
17 understand what standing he has to raise questions about the
18 Phillips license. He's not the licensor, doesn't have any
19 interest in it. He may -- his company may be a licensee, but
20 there are many of them out there.

21 THE COURT: Sustained.

22 MR. VAGNONI: Your Honor, I'm not asking about -- I'm
23 asking -- the companies he contacted, there's a list of
24 companies that have licensed the Phillips technology already.
25 They would be the prime companies to reach out to to sell these

1 assets. I'm asking if he reached out to any of those 23.

2 THE COURT: Okay.

3 BY MR. VAGNONI:

4 A I don't know the answer.

5 Q Did you --

6 A As I sit here.

7 Q Did you reach out to Leia?

8 A I don't know.

9 Q Did you reach out to Dimenco? Dimenco.

10 A I don't know.

11 Q How about Magnetic 3D?

12 A Do not know.

13 Q All right. So having listed some of the major players in
14 no glasses 3D TV, you're --

15 MR. GEORGE: Objection, Your Honor. He's testifying.

16 THE COURT: Yeah.

17 MR. GEORGE: He's calling -- we haven't even heard
18 these names until he just said them, now he's testifying --

19 MR. VAGNONI: Well, that's telling.

20 THE COURT: He hasn't -- so he hasn't asked these
21 people. So any other questions for Mr. Victor?

22 MR. VAGNONI: Let me just take a second here and look
23 at my notes.

24 No. I'm all set. Thank you.

25 THE COURT: Okay. All right. No more questions for

1 Mr. Victor then?

2 Okay. You may step down, sir. Thank you.

3 THE WITNESS: Thank you.

4 MR. THOMPSON: Your Honor, before you move on --

5 THE COURT: Yeah.

6 MR. THOMPSON: -- I may be able to -- I have some
7 suspicion of where this may go, but we had also, a witness list
8 and expected to be able to call witnesses on behalf of VSI and
9 our case-in-chief and that included -- that includes Mr.
10 Charles Bud Roberston (phonetic), Ms. Nicole Menine, Matthu
11 Rajan, among others. And I want to know whether we're going to
12 have that opportunity.

13 THE COURT: I don't have any need to hear from any
14 witnesses about the sale. What I was interested -- if there
15 were any concerns. Like, the concerns I was interested in
16 hearing about today was the sale process, if you thought that
17 there was something that Mr. Victor should have done or if you
18 had questions for the trustee. And I've heard all of your
19 questions, and I don't have any concerns about this sale. I
20 don't.

21 So that doesn't leave me to have any questions or
22 need to hear from your witnesses. Okay?

23 MR. THOMPSON: Our witnesses are going to testify
24 about the disposition of the assets that this trustee says he's
25 selling.

1 THE COURT: Right. And I think that the assets are
2 what they are and the buyer has reviewed the schedules and has
3 done their due diligence and is going to accept the assets as
4 is, wherever they are.

5 MR. THOMPSON: But the disposition of those assets
6 matters, Your Honor.

7 THE COURT: The disposition? There's going to be a
8 sale and the buyer's going to get the assets.

9 MR. THOMPSON: The assets that are Stream TV assets
10 that remain in the hands of the now winning bidder, the
11 stalking horse.

12 THE COURT: The buyer's going to get the assets on
13 the schedules. Okay?

14 MR. GEORGE: Will we have an opportunity to respond
15 to their filing of this morning, requesting a new order? And
16 then changes to the asset purchase agreement.

17 THE COURT: I'm going to give you 48 hours. If you
18 guys have any response to that, then -- okay. Would you like
19 72 hours?

20 MR. GEORGE: Is Monday morning -- what's the
21 difference --

22 THE COURT: Monday morning is fine. You can have
23 Monday morning to respond to the blackline order.

24 MR. WATTERS: Your Honor, this is Michael Watters,
25 for Shepherd Mullen, I'm counsel to Leia, Inc. I -- I have

1 some concerns about the sale order as well. I am sitting here
2 listening to the characterization of the sale, you know, your
3 characterization of the sale, I think, is inconsistent with the
4 redline order. I don't know if it's appropriate to raise that
5 now --

6 THE COURT: Okay. No. Yeah.

7 MR. WATTERS: -- order. All right.

8 THE COURT: Yeah. All right. I hear you.

9 So Pam, just mark on the docket --

10 MR. WATTERS: Yeah.

11 THE COURT: -- that any concerns with the blackline
12 order should be filed Monday close of business, 5:00 p.m.

13 Okay? Anything else?

14 MR. WATTERS: Okay.

15 MR. SWICK: I guess I just want to raise it formally,
16 and then to say we wanted to bring Matthus Rajan, Bud Roberston,
17 Nicole Menine, to testify, that's been denied.

18 THE COURT: Yeah. I find it totally irrelevant.

19 Thank you.

20 MR. GEORGE: Your Honor, I would move into evidence
21 our exhibits 1 through 6 and ask the Court to take judicial
22 notice of the motion to approve the Hawk settlement which is
23 docket number 630; the evidentiary record from that hearing,
24 which is 670; the 9019 order which is 653; the trustee opinion
25 which is 548; the order granting Hawk relief from stay, which

1 is 549; and the reservation of rights by Leia which is 841.

2 THE COURT: Okay. So moved.

3 MS. RUSSEL: Your Honor, Alyssa Russel from Skinner &
4 Skinner on behalf of SeeCubic. Regarding the request to
5 respond to the redline order, the APA contemplates an outside
6 date for answering the order of December 7th and our client has
7 a target closing -- outside date for closing of December 10th.

8 THE COURT: Yep. I'm going to resolve --

9 MS. RUSSEL: Your Honor has already --

10 THE COURT: -- everything before the 10th.

11 MS. RUSSEL: Okay. I was going to say --

12 MR. THOMPSON: Your Honor, no one put them here -- no
13 one put them here but them.

14 THE COURT: Huh? Yeah. Okay. I'm going to enter an
15 order prior to the 10th. All right. I think that concludes
16 our business here today.

17 MR. THOMPSON: Thank you, Your Honor.

18 MS. RUSSEL: Thank you, very much. Ma'am? Thanks.

19 (Proceedings adjourned)

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C E R T I F I C A T E

I hereby certify that the foregoing is a true and correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

John Buckley

John Buckley, CET-623
Digital Court Proofreader

EXHIBIT C

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PENNSYLVANIA

IN RE: : Case No. 23-10763-amc
STREAM TV NETWORKS, INC. CH: 11 :
AND NETWORKS, INC. AND : Philadelphia, Pennsylvania
TECHNOVATIVE MEDIA, INC. : December 18, 2024
: 11:03 a.m.
. :
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BEFORE THE HONORABLE ASHELY M. CHAN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For the Chapter 11 Trustee: Michael D. Vagnoni, Esq.
Obermayer Rebmann Maxwell &
Hippel LLP
Centre Square West
1500 Market Street, Suite 3400
Philadelphia, PA 19102
215-665-3066

For Visual Semiconductor,
Inc.: John H. Thompson. Esq.
Akerman
750 Ninth Street, N.W.
Washington, D.C. 20001
202-824-1760

For Rembrandt: Andrew Peter Demarco
Devlin Law Firm, LLC
1526 Gilpin Avenue
Wilmington, DE 19806
302-449-9010

SeeCubic, Inc.: Alyssa Russell, Esq.
Skadden Arps Slate Meagher &
Flom, LLP
320 South Canal Street
Chicago, IL 60606
312-407-0705

Proceedings recorded by electronic sound recording;
transcript produced by TheRecordXchange.

1 DECEMBER 18, 2024

11:03 A.M.

2 THE COURT: Number 37, Stream TV, motion to extend
3 time for deadlines, timing, and amount of certain obligations
4 in the sharing and carve-out agreement. Appearances, please?

5 Tasha, what's with the echo?

6 MR. VAGNONI: Good morning, Your Honor. Michael
7 Vagnoni on behalf of the Chapter 11 Trustee.

8 THE COURT: Okay.

9 MR. THOMPSON: And John Thompson of Akerman LLP on
10 behalf of VSI.

11 THE COURT: Okay. Anyone else on the phone?

12 MR. DEMARCO: Andrew DeMarco.

13 THE COURT: Yeah.

14 MR. DEMARCO: Yes, Your Honor. Andrew DeMarco from
15 Devlin Law Firm here for Rembrandt. With me is --

16 THE COURT: Okay. Yeah.

17 MR. VAGNONI: Your Honor, Michael Vagnoni on behalf
18 of Chapter 11 Trustee, we filed this motion on November 12 a
19 response was due on November 26th. On December 4th, we filed
20 an opposition. We would ask that the order be entered granting
21 our motion today.

22 THE COURT: Okay. So I see you filed a late
23 objection, sir?

24 MR. THOMPSON: We did, Your Honor, and that's because
25 of change of circumstances. We expected as this trustee had

1 represented in court on the 4th at the sale hearing that
2 because of the urgency, they were going to close on the 10th.
3 They haven't. To our understanding, that transaction still has
4 not closed. And it is our understanding what we thought was
5 just a simple ministerial matter to move the date from the
6 original August 2nd date -- I don't know why that stayed
7 around, but August 2nd date to December 10th.

8 Beyond that, we thought that there were other
9 adjustments that seemed to be -- or at least at first blush,
10 seemed to be simply ministerials (sic) and change of terms,
11 timing, et cetera, based upon the transaction adjustments by
12 the trustee and by the parties, the purchasers.

13 However, it appears now that what really is happening
14 is they don't have the money to close. They've been working
15 through the trustee. And this motion now -- the background is
16 very distracting.

17 THE COURT: It's very distracting. There's a very
18 weird echo going on and we're not sure why.

19 THE CLERK: We had it all last week.

20 THE COURT: Yeah. Okay. It's not just you. It was
21 happening earlier today.

22 MR. THOMPSON: Okay. So the point is that what's
23 happening, it appears is a greater degree of flexibility both
24 with respect to --

25 THE COURT: So they're not just pushing the deadline

1 back. You're saying that they're asking for substantive?

2 MR. THOMPSON: Well, it does seem substantive, right?

3 They've suggested that they've increased the overall
4 consideration to the estate and to the trustee. But rather --

5 THE COURT: Say that again.

6 MR. THOMPSON: They have suggested that the overall
7 consideration -- I think it's paragraph 26 in their proposed,
8 their motion -- that they are getting \$500,000 of incremental
9 money, right? And that is on the basis of a released bond that
10 was originally posted by Stream TV in the underlying Chancery
11 Court proceeding. I'm sorry. This is really --

12 THE COURT: Okay. So let me just first -- okay. So

13 Mr. Vagnoni, has the Hawke closing not been consummated?

14 MR. VAGNONI: Your Honor, we have -- all the
15 documents are signed. We have a paper closing. We're simply
16 waiting for the wire to come through. We don't think it's a
17 matter of not having the money. From the trustee's
18 perspective, we are, you know, somewhat disappointed that it
19 hasn't closed already. Everything for the closing to take
20 place has happened. We are just waiting for the wire to come
21 through.

22 THE COURT: So do we have Hawke on the line today?

23 Mr. Vagnoni? We don't.

24 MR. VAGNONI: I don't know, Your Honor.

25 THE COURT: Okay. Well, it's just kind of weird that

1 we don't have Hawke on the line and that the closing -- so what
2 is the holdup on the wire, Mr. Vagnoni? Do you know what the
3 problem is?

4 MR. VAGNONI: He and I did talk -- and I can't speak
5 for them. I think Hawke is not on the line because we
6 certified no opposition and there was no opposition filed. And
7 we anticipated the Court would enter the order. I don't have
8 an explanation for the wire not coming through other than that
9 they are working on it and we should have it very shortly.
10 We're waiting for an update today.

11 MR. THOMPSON: Your Honor, it seemed to us that the
12 10th was this urgent day --

13 THE COURT: Right. And I thought there was a credit
14 bid. Isn't this a credit bid? So why --

15 MR. THOMPSON: Yes.

16 THE COURT: So I don't understand why -- so what
17 actual hard cash were you expecting? Like, how much are you
18 expecting you to wire to you?

19 MR. VAGNONI: There is a carve-out, Your Honor, that
20 it's going to the estate.

21 THE COURT: Okay. Right. And how much is the
22 carve-out?

23 MR. VAGNONI: Seven million dollars were named, Your
24 Honor. They've paid \$1 million. Another seven million is
25 going to be wired. And again, we anticipate that wire hitting

1 any minute now. They have instructions. Everything is ready
2 to go --

3 THE COURT: So why do you think it's going to happen
4 shortly? Because it hasn't happened before. It was supposed
5 to happen last week. So why do you think it's --

6 MS. RUSSELL: If I could, Your Honor?

7 THE COURT: Yeah.

8 MS. RUSSELL: This is Alyssa Russell of Skadden Arps
9 regarding the funds.

10 THE COURT: Yeah.

11 MS. RUSSELL: There was a delay in the transfer last
12 week because VSI and filed that our residency -- in district
13 court. And we had to give a few days to let that play out and
14 see what was going to happen regarding the sale order and
15 whether it was going to be stayed. And that was a matter of
16 our client gathering the funds. It was just logistical. And
17 as the money comes through, we expect it to post in the coming
18 days.

19 THE COURT: Okay.

20 MS. RUSSELL: But at this time, like he said, the
21 paper is signed and it's just a matter of money coming in. And
22 it should be, you know, in the coming days.

23 MR. THOMPSON: Your Honor, I don't know why our
24 motions practice would have stopped their sale closing.

25 THE COURT: Because they thought you were going to

1 appeal it and they didn't want to give him the money. Well,
2 that's just their explanation.

3 Okay. So Mr. Vagnoni, I thought I've seen these
4 extension motions before which weren't controversial. So was
5 there any substantive difference between this motion and prior
6 motions that you've filed in front of me?

7 MR. VAGNONI: I don't know. I don't think there is
8 any difference other than I think Mr. Thompson more or less
9 explained the increase to the estate of \$500,000. I think he
10 tried to explain that it was in exchange for a bond release
11 which was already contemplated in the original agreement. It
12 was more to, you know --

13 THE COURT: Okay. So isn't this -- so Mr. Vagnoni,
14 did you disclose the \$500,000 and the motion originally when
15 you filed it?

16 MR. VAGNONI: Oh, absolutely.

17 THE COURT: Okay. So you knew about it then, so why
18 didn't you file a timely objection?

19 MR. THOMPSON: Your Honor, this was mostly about the
20 problem with the closing time.

21 THE COURT: Okay. So the closing is a separate
22 issue, completely different than this.

23 MR. THOMPSON: Well, this is related, Your Honor,
24 because they were supposed to pay \$1.5 million within two days
25 of the procedures order.

1 THE COURT: So to the extent that you have an issue
2 with them not complying with something, then you need to file
3 a, you know, a motion related to that issue. Not this one.

4 MR. THOMPSON: Right.

5 THE COURT: So what objection do you have to this
6 motion in front of me?

7 MR. THOMPSON: Well, first I would object, Your
8 Honor, that they haven't closed and they're in default.

9 THE COURT: That's totally irrelevant to this motion.

10 MR. THOMPSON: Well, they're in default
11 under -- they're in default under the current order approving
12 the 90-day extension.

13 THE COURT: Mr. Thompson, let me explain to you the
14 way that things work in this court. When people file motions,
15 there's an objection deadline and then a hearing date. If you
16 have an objection to the underlying motion, you have to file a
17 response by the deadline. You didn't file any objection to
18 this and there's nothing in here, then, that you really can
19 object to. To the extent that you have other issues, then I
20 suggest you file a separate motion.

21 MR. THOMPSON: Your Honor, we have an issue, as I
22 said, with the fact that it has become apparent to us that the
23 purpose of this motion -- and this is after they failed to
24 close on the 10th, which was the all-important date -- that the
25 purpose of this motion was actually to provide greater

1 liquidity and flexibility to SeeCubic and Hawke. That's what
2 the --

3 THE COURT: Okay. But you didn't file an objection,
4 so I'm going to grant the motion.

5 MR. THOMPSON: I understand, Your Honor.

6 THE COURT: Thank you.

7 MR. THOMPSON: I am merely making the point.

8 THE COURT: All right. Well, I find it interesting
9 that they haven't closed. I had no idea. I mean, I'm happy to
10 know about it, but hopefully it'll happen soon.

11 MR. THOMPSON: It's rules for thee. We understand.

12 THE COURT: Yep. All right. Thanks, everybody.

13 (Proceedings adjourned at 11:12 a.m.)

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C E R T I F I C A T E

I hereby certify that the foregoing is a true and correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

John Buckley

John Buckley, CET-623
Digital Court Proofreader